
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Sunway International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sales or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

**SUNWAY INTERNATIONAL HOLDINGS LIMITED****新威國際控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock code: 58)****CONNECTED TRANSACTION
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders**

AmCap*Ample Capital Limited**豐盛融資有限公司***Ample Capital Limited**

All capitalized terms used in this circular shall have the same meanings ascribed to them in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Listing Rules Independent Board Committee is set out on pages 18 to 19 of this circular. A letter from the IFA containing its advice to the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders is set out on pages 20 to 34 of this circular.

A notice convening the SGM of the Company to be held at Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong on Monday, 16 March 2020 at 11:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you intend to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

In this circular, unless the context otherwise required, capitalized terms used shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code, unless the context otherwise specifies
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Sunway International Holdings Limited (stock code: 58), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Conditions Precedent”	the conditions precedent under the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Convertible Notes”	the outstanding convertible notes due on 28 April 2017 in the principal amount of HK\$30,000,000 which could be convertible into a total of 16,393,442 new conversion Shares at the conversion price of HK\$1.83 per conversion share (assuming the Share Consolidation in relation to the Convertible Notes are valid and completed)
“Convertible Noteholder(s)”	the holder of the Convertible Note(s) from time to time
“Convertible Notes Offer”	the mandatory conditional cash offer to be made by I-Access for and on behalf of the Offeror to acquire the Convertible Notes in accordance with the terms described in the Joint Announcement
“Director(s)”	the director(s) of the Company from time to time
“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

DEFINITIONS

“I-Access”	I-Access Investor Limited, a licensed corporation under the SFO, licensed to carry on type 1 (dealing in securities), type 2 (dealing in future contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO
“Independent Financial Adviser” or “Ample Capital”	Ample Capital Limited, a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Listing Rules Independent Board Committee to advise the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in relation to the terms of the Subscription Agreement and the transactions contemplated thereunder
“Joint Announcement”	the announcement jointly issued by the Company and the Subscriber on 8 January 2020 in relation to, among others, the Subscription Agreement and the transaction contemplated thereunder
“Last Trading Day”	29 November 2019, the last trading day for the Shares prior to the halt of trading in the Shares prior to the release of the Joint Announcement
“Latest Practicable Date”	27 February 2020, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Subscription, established for the purpose of advising the Listing Rules Independent Shareholders in respect of the Subscription and in particular as to whether the terms of the Subscription are fair and reasonable
“Listing Rules Independent Shareholders”	the Shareholders other than the Offeror and its associates (as defined under the Listing Rules)
“Long Stop Date”	31 March 2020 (or such other date as the Company and the Subscriber may agree in writing)

DEFINITIONS

“Main Board”	the main board maintained and operated by the Stock Exchange
“Mr. Chim”	Mr. Chim Sai Yau Oscar, the sole shareholder and sole director of the Offeror
“Mr. Li”	Mr. Li Chongyang, an executive Director of the Company, a Shareholder who holds 4,610,000 Shares as at the Latest Practicable Date, representing approximately 0.62% of the total issued share capital of the Company, and a person presumed to be a party acting in concert with the Offeror
“Offeror” or “Subscriber”	Wealthy Port Holdings Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company as at the Latest Practicable Date, which is beneficially and wholly owned by Mr. Chim
“Offers”	the Share Offer and the Convertible Notes Offer (as the case may be)
“Offer Share(s)”	the Shares (other than those already owned or to be acquired by the Offeror or parties acting in concert with it) that are subject to the Share Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held and convened for the purpose of approving, amongst other matters, the Subscription and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares or any adjournment thereof
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Consolidation”	the consolidation of the Shares whereas every ten issued ordinary shares of HK\$0.01 each in the then share capital of the Company be consolidated into one consolidated share of HK\$0.10, which became effective on 4 June 2018

DEFINITIONS

“Share Offer”	the mandatory conditional cash offer to be made by I-Access for and on behalf of the Offeror for all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code
“Shareholder(s)”	the holder(s) of the issued Shares
“Specific Mandate”	the specific mandate proposed to be obtained from the Listing Rules Independent Shareholders at the SGM to issue the Subscription Shares to the Subscriber
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 November 2019 entered into amongst the Offeror and the Company in relation to the Subscription Shares and supplemented by the Supplemental Agreement
“Subscription Completion”	the completion of the subscription of the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement
“Subscription Price”	the average closing price per Share as quoted on the Stock Exchange for the 5 consecutive trading days prior to the date of the Subscription Agreement, or the nominal Share value of HK\$0.100 per Share, whichever is the higher
“Subscription Shares”	an aggregate of 149,063,676 Shares to be subscribed by the Subscriber upon Subscription Completion
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 28 February 2020 entered into amongst the Offeror and the Company in relation to the Subscription Agreement for extension of the Long Stop Date
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 58)

Executive Directors:

Mr. Chim Sai Yau, Oscar
Mr. Li Chongyang
Mr. Law Chun Choi

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Lum Pak Sum

*Head office and principal place of
business in Hong Kong:*

3/F, Mandarin Commercial House
38 Morrison Hill Road
Wanchai, Hong Kong

Independent non-executive Directors:

Mr. Choi Pun Lap
Mr. Tong Leung Sang
Mr. Chan Sung Wai

29 February 2020

To the Shareholders

Dear Sir or Madam

CONNECTED TRANSACTION SHARE SUBSCRIPTION UNDER SPECIFIC MANDATE

I. INTRODUCTION

As disclosed in the Joint Announcement, the Company and the Subscriber entered into the Subscription Agreement on 29 November 2019 pursuant to which the Subscriber, a substantial Shareholder, has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares (i.e. 149,063,676 Shares) in cash at the Subscription Price of HK\$0.100 per Subscription Share.

As disclosed in the joint announcement of the Company and the Subscriber dated 28 February 2020, the Long Stop Date has been extended from 28 February 2020 to 31 March 2020.

The purpose of this circular is to provide you with the information in relation to, among others, the Subscription Agreement and the transactions contemplated thereunder, the letter of advice from the Listing Rules Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders, and the notice of the SGM.

* for identification purposes only

LETTER FROM THE BOARD

II. THE SUBSCRIPTION AGREEMENT

On 29 November 2019 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares (i.e. a total of 149,063,676 Shares) at the Subscription Price of HK\$0.100 per Subscription Share.

Set out below is a summary of the principal terms of the Subscription Agreement:

The Subscription Agreement

Date

29 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) Issuer : The Company; and
(2) Subscriber : Wealthy Port Holdings Limited

As at the Latest Practicable Date, Wealthy Port Holdings Limited is a substantial shareholder of the Company which beneficially owns 219,404,855 Shares, representing approximately 29.30% of the entire issued share capital of the Company. Mr. Chim, the sole shareholder and the sole director of the Subscriber and an executive Director of the Company, is interested in the aforesaid Shares pursuant to Part XV of the SFO.

Number of Subscription Shares

As at the Latest Practicable Date, the Company has a total number of 748,936,324 Shares, the Subscription Shares (i.e. a total of 149,063,676 Shares) to be allotted and issued under the Subscription represent:

- (1) approximately 19.90% of the total number of issued Shares as at the Latest Practicable Date; and
- (2) approximately 16.60% of the total number of issued Shares as enlarged by the allotment and issuance of the Subscription Shares (assuming there will be no change in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Subscription Shares).

Based on the closing price of the Shares of HK\$0.0800 per Share on 29 November 2019, the Subscription Shares have a market value of approximately HK\$11.9 million. Based on the nominal value of HK\$0.100 per Share, the aggregate nominal value of the Subscription Shares is HK\$14,906,367.60.

LETTER FROM THE BOARD

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares then in issue.

Subscription Price

The Subscription Price of HK\$0.100 per Subscription Share represents:

- (1) a premium of approximately 25.00% to the closing price of HK\$0.0800 per Share as quoted on the Stock Exchange on 29 November 2019, being the date of the Subscription Agreement and the Last Trading Day;
- (2) a premium of approximately 24.07% to the average closing price of approximately HK\$0.0806 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the date of the Subscription Agreement;
- (3) a discount of approximately 83.50% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.606 per Share (based on the audited consolidated net asset value attributable to Shareholders as at 31 December 2018 (the date to which the latest audited financial results of the Group were made up) divided by 748,936,324 Shares in issue as at the Latest Practicable Date);
- (4) a discount of approximately 66.26% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 of approximately HK\$0.296 per Share (based on the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 (the date to which the latest unaudited financial results of the Group were made up) divided by 748,936,324 Shares in issue as at the Latest Practicable Date); and
- (5) a premium of approximately 11.11% to the closing price of HK\$0.0900 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to (a) the market price of the Shares prior to and on the Last Trading Day; (b) the capital needs and financial position of the Group; and (c) the prevailing market price of the Shares.

LETTER FROM THE BOARD

Even though the Subscription Price represented a discount to the net asset value per Share, the latest unaudited financial results of the Group made up to 30 June 2019 disclosed that the main assets of the Group comprised of property, plant and equipment which were not immediately marketable in nature. Other major heads of assets included trade and bill receivables, and prepayments, deposits and other receivables, which are not immediately recoverable. The bank balance of the Group dropped from approximately HK\$51 million as at 30 June 2018 to approximately HK\$27 million as at 30 June 2019, indicating a need of cash of the Group. Further, as disclosed below (under the section headed “Use of proceeds and the reasons for the Subscription”), in view of the financial position of the Group, there is an imminent need of funding. Proceeds of the Subscription, together with the existing cash of the Group, would serve to maintain the general working capital and provide funds for repayment of the Group’s outstanding liabilities.

In view of the premium of Subscription Price to the market price of the Shares as disclosed above and the financial position of the Group, the Directors (excluding Mr. Chim, who will abstain from giving his view on the Subscription Agreement and the transactions contemplated thereunder as he is the sole shareholder and sole director of the Subscriber and including the Listing Rules Independent Board Committee, after taking into account the advice of the Independent Financial Adviser), consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions to Subscription

Subscription Completion is conditional upon fulfillment of the following conditions:

- (1) the passing of an ordinary resolution by the Listing Rules Independent Shareholders at the SGM approving the allotment and issue of the Subscription Shares by the Company (including the Specific Mandate);
- (2) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares, and such approval not being revoked; and
- (3) all other necessary consents, approvals, permits or licences from the relevant governmental or regulatory authorities or other third parties in relation to the transactions contemplated under the Subscription Agreement having been obtained. Save for the conditions (1) and (2) above, as at the Latest Practicable Date, the Company and the Offeror is not aware of any other necessary consents, approvals, permits or licenses required in relation to the transaction contemplated under the Subscription Agreement.

LETTER FROM THE BOARD

The conditions specified above are not capable of being waived by any of the parties to the Subscription Agreement, and if the conditions are not fulfilled or satisfied at or before 4:00 p.m. on the Long Stop Date, the Subscription Agreement shall cease and terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

Consideration for the Subscription Shares

The total consideration for the Subscription Shares of approximately HK\$14.9 million shall be payable in cash by the Subscriber on the Completion Date.

Subscription Completion

Completion of the Subscription Agreement shall take place on a date no later than the fifth Business Day after the last outstanding condition precedent pursuant to the Subscription Agreement (other than those condition(s) precedent which can only be fulfilled upon Completion) shall have been fulfilled (or such other date as may be agreed by the Company and the Subscriber in writing).

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Subscription Shares.

LETTER FROM THE BOARD

Effect on shareholding structure of the Company

The shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Subscription Completion (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of the Subscription Completion) are as follows:

	(i) as at the Latest Practicable Date		(ii) immediately after the Subscription Completion	
	<i>Number of Shares</i>	<i>Approximate percentage</i>	<i>Number of Shares</i>	<i>Approximate percentage</i>
The Offeror and parties acting in concert with it				
The Subscriber (<i>Note 1</i>)	219,404,855	29.30%	368,468,531	41.03%
Mr. Li Chongyang (<i>Note 2</i>)	4,610,000	0.62%	4,610,000	0.51%
	<u>224,014,855</u>	<u>29.92%</u>	<u>373,078,531</u>	<u>41.54%</u>
Other Shareholders				
Business Century				
Investments Limited (<i>Note 3</i>)	61,124,833	8.16%	61,124,833	6.81%
Everun Oil Co., Limited (<i>Note 4</i>)	86,581,000	11.56%	86,581,000	9.64%
Other public Shareholders	377,215,636	50.36%	377,215,636	42.01%
	<u>524,921,469</u>	<u>70.08%</u>	<u>524,921,469</u>	<u>58.46%</u>
Total	<u>748,936,324</u>	<u>100.00%</u>	<u>898,000,000</u>	<u>100.00%</u>

Notes:

1. The 219,404,855 Shares are beneficially held by the Subscriber. As Mr. Chim is the legal and beneficial owner of all issued shares of the Subscriber, Mr. Chim is deemed to be interested in all the Shares held by the Subscriber by virtue of Part XV of the SFO.
2. Mr. Li Chongyang is an executive Director of the Company and is presumed to be a party acting in concert with the Offeror.

LETTER FROM THE BOARD

3. The 61,124,833 Shares are beneficially held by Business Century Investments Limited. As Ms. Xie Guilin is the legal and beneficial owner of all issued shares of Business Century Investments Limited, Ms. Xie Guilin is deemed to be interested in all the Shares held by Business Century Investments Limited by virtue of Part XV of the SFO.
4. The 86,581,000 Shares are beneficially held by Everun Oil Co., Limited. As Mr. Chen Jingan is the legal and beneficial owner of all issued shares of Everun Oil Co., Limited, Mr. Chen Jingan is deemed to be interested in all the Shares held by Everun Oil Co., Limited by virtue of Part XV of the SFO.

As illustrated above, the Shares held by the Shareholders other than the Subscriber will be diluted by approximately 16.59% upon the Subscription Completion.

Fund raising exercises of the Company in the past 12 months

The equity fund raising activities conducted by the Company during the past twelve months immediately preceding the Latest Practicable Date are set out below:

Date of announcement	Fund raising activity	Estimated net proceeds raised	Proposed use of proceeds	Actual use of proceeds as at the Latest Practicable Date
13 March 2019	Subscription of new shares under general mandate (completed on 27 March 2019)	HK\$16,722,800	General working capital	Approximately HK\$16.3 million has been used for general working capital of the Group and the remaining HK\$0.4 million are expected to be fully utilized by the end of February 2020 for payment of staff salary

Save as disclosed above, the Company has not conducted any other equity fund raising activities during the past twelve months immediately preceding the Latest Practicable Date.

Use of proceeds and the reasons for the Subscription

The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products.

LETTER FROM THE BOARD

The gross proceeds of the Subscription will be approximately HK\$14.9 million. The net proceeds from the Subscription, after the deduction of the related professional fees and other related expenses, are estimated to be approximately HK\$13.9 million.

The Company intends to use the net proceeds from the Subscription for general working capital purpose, with the expected expenditure and timeline set out as follows:

Proposed use of proceeds	Estimated amount	Expected Timeline
(a) Group's rental related expenses	Approximately HK\$4 million	Payable by the Group on a monthly basis throughout the year ending 31 December 2020
(b) Payment of staff and director's remuneration	Approximately HK\$3 million	Payable by the Group on a monthly basis throughout the year ending 31 December 2020
(c) Legal and professional fees	Approximately HK\$5 million	Payable throughout the year ending 31 December 2020
Total:	Approximately HK\$12 million	

The remaining proceeds of approximately HK\$1.9 million will be applied towards settling the Group's daily operating expenses.

The net issue price per Share from the Subscription will be approximately HK\$0.0933. Based on the closing price of approximately HK\$0.0800 per Share on the Last Trading Day as compared to the Subscription Price of HK\$0.100 per Share, there will be no dilution on the theoretical price of the Shares.

The Company recorded HK\$27.1 million and HK\$23.2 million for cash and cash equivalents of the Group as at 30 June 2019 and 31 December 2018 respectively, which demonstrated a significant decrease from HK\$77.1 million as at 31 December 2017. Despite the presence of existing cash, as at 31 December 2019, the Group has outstanding borrowings which amounted to approximately RMB18.4 million, consisting of (i) a secured revolving facility of approximately RMB4.1 million which will be due on 15 October 2020; (ii) a secured revolving facility of approximately RMB4.3 million which will be due on 23 October 2020; and (iii) a secured principal loan of approximately RMB10 million which will be due on 20 November 2020. Taking into account the liabilities of the Group, a significant portion of the existing cash will be applied towards to the repayment of debt and the existing cash could be depleted by the end of year 2020. Based on the actual use of proceeds from the fund raising exercises of the Company in the past 12 months, the average cash outflow of the Company was approximately HK\$1.5 million per month. Based on the existing cash balance of the Company, and in view of the current financial position of the Company, it is necessary for the Group to retain the bank balance as funding for the repayment of liabilities throughout the year of 2020 and to safeguard the Group's repayment

LETTER FROM THE BOARD

ability. Hence, there is an imminent funding need of the Group whereby the fund raised by the Subscription could be applied towards operation, so that overall cash level after the Subscription would be sufficient to maintain its general working capital, reserve funds for repayment of liabilities, and to guard against any unexpected increase in costs or to respond to any unforeseen need in capital. The net proceeds raised from the Subscription will serve to facilitate the Company to maintain a stable cash flow. Hence, the Board considers that fund raising through the Subscription is in the interests of the Company and the Shareholders as a whole.

Information of the Subscriber

Wealthy Port Holdings Limited is primarily engaged in investment holding and is a substantial shareholder of the Company which beneficially owned 219,404,855 Shares, representing approximately 29.30% of the entire issued share capital of the company as at the Latest Practicable Date. Mr. Chim is an executive Director of the Company, and he is also sole shareholder and the sole director of the Subscriber.

Mr. Chim, aged 24, was appointed as an executive Director and the chairman of the Board on 28 May 2019. Mr. Chim has working experience in cross-border investment, private equities and financial products. As a fluent Arabic speaker, Mr. Chim has served as a transformation associate consultant at Americana Group, a UAE-based F&B company operating more than 1,800 restaurants across 13 markets of the Middle East, North Africa (MENA) and Kazakhstan. Prior to graduating from the University of Pennsylvania in Modern Middle East Studies, Mr. Chim received training at Monitor Deloitte in Dubai, the National Bank of Abu Dhabi in Abu Dhabi, International New York Times and Meitu in Hong Kong.

Implication under the Listing Rules

As at the Latest Practicable Date, the Subscriber is interested in 219,404,855 Shares, representing approximately 29.30% of the entire issued share capital of the Company, and the Subscriber is a substantial Shareholder. Further, the sole shareholder and sole director of the Subscriber, Mr. Chim, is an executive Director of the Company. As such, the Subscriber is regarded as a connected person to the Company under Chapter 14A of the Listing Rules. As a result, the Subscription constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement, reporting and Listing Rules Independent Shareholder's approval requirements pursuant to Chapter 14A of the Listing Rules.

The Company will seek approval from the Listing Rules Independent Shareholders at the SGM for the Subscription Agreement and the transactions contemplated thereunder. Save for the Subscriber and its associates, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder. As such, save for the Subscriber and its associates, no Shareholder is required to abstain from voting for the resolution to approve Subscription Agreement and the transactions contemplated thereunder at the SGM.

LETTER FROM THE BOARD

Pursuant to Rule 14A.39 of the Listing Rules, the Listing Rules Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Subscription has been established to advise the Listing Rules Independent Shareholders as to (i) whether the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable; (ii) whether the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) whether the Subscription Agreement and the transactions contemplated thereunder is in the interest of the Company and its shareholders as a whole; and (iv) how to vote on the Subscription Agreement and the transactions contemplated thereunder in the SGM.

The Independent Financial Adviser has been appointed to advise the Listing Rules Independent Board Committee in respect of the Subscription and, in particular, as to whether (i) the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable; (ii) whether the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) whether the Subscription Agreement and the transactions contemplated thereunder is in the interest of the Company and its shareholders as a whole; and (iv) the Listing Rules Independent Shareholders should vote in favour of the Subscription Agreement and the transactions contemplated thereunder.

POSSIBLE MANDATORY CONDITIONAL CASH OFFER

Immediately prior to the entering into of the Subscription Agreement, the Subscriber (i.e. the Offeror) and parties acting in concert with it are beneficially interested in 224,014,855 Shares (representing approximately 29.92% of the issued Shares as at the Latest Practicable Date). Upon the Subscription Completion, the Offeror and parties acting in concert with it will be interested in 373,078,531 Shares (representing approximately 41.54% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares, assuming no changes to the issued Shares from the date of this joint announcement up to the date of the Subscription Completion).

Subject to the Subscription Completion and pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make the mandatory conditional cash offer for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) (other than those already owned or to be acquired by the Offeror and parties acting in concert with it), and I-Access will, on behalf of the Offeror, make a mandatory conditional general offer in cash for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the Latest Practicable Date, the Company has a total of 748,936,324 Shares in issue.

LETTER FROM THE BOARD

Save and except to the Subscription and subject to the Subscription Completion, assuming there is no further change in the total number of issued Shares, there will be 898,000,000 Shares in issue as a result of the issuance and allotment of the Subscription Shares. Assuming that there is no change in the total number of issued Shares, upon the Subscription Completion, the Offeror will be interested in 368,468,531 Shares and 529,531,469 Shares not already owned or agreed to be acquired by the Offeror will be subject to the Share Offer.

The remaining Convertible Notes in the principal amount of HK\$30 million, as issued by the Company pursuant to a sale and purchase agreement dated 3 October 2013 (the “SPA”), are convertible into 16,393,442 new conversion Shares (rounded down) (assuming the Share Consolidation in relation to the Convertible Notes are valid and completed). The Convertible Notes were issued in favour of the vendor of the SPA (the “Vendor”) as part of the consideration of the SPA. The Vendor’s entitlement to the Convertible Notes is subject to the Vendor’s due performance of the covenants, warranties and the terms and conditions under the SPA (the “CN Condition”). It is the Company’s case that the Vendor has fundamentally breached the CN Condition. According to a legal opinion dated 2 December 2019 given by the Company’s solicitors, Lam & Co., upon the fundamental breach of the SPA, it is open for the Company to argue that the CN Condition has failed and the outstanding Convertible Notes are void and have no effect. High court action has been commenced by the Company to seek to rescind the SPA and to declare that the Convertible Notes to be null, void and have no effect. As at the Latest Practicable Date, the litigation is still in progress and no judgment has been made by the Court.

Save as aforesaid, the Company does not have any outstanding options, derivatives, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares.

Please refer to the Joint Announcement for more details of the Offers.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offers and will maintain the listing status of the Company on the Stock Exchange. The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products.

The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate. As at the Latest Practicable Date, the Offeror has no intention or concrete plans for any acquisition of assets and/or business, nor any intention to dispose of any assets and/or existing business by the Group.

LETTER FROM THE BOARD

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprises three executive Directors, namely Mr. Chim, Mr. Li Chongyang and Mr. Law Chun Choi, one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Tong Leung Sang and Mr. Chan Sung Wai.

The Offeror did not propose to nominate any new Directors to the Board. Meanwhile, the Offeror has no intention to make any change to the composition of the Board as at the Latest Practicable Date.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offers.

Pursuant to the Listing Rules, if, at the closing of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that sufficient public float (i.e. not less than 25% of the issued Shares) exists in the Shares after the close of the Offers.

III. SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving, inter alia, the terms of the Subscription Agreement and the transactions contemplated thereunder, including allotment and issue of the Subscription Shares, and the granting of the Specific Mandate. A notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular.

LETTER FROM THE BOARD

In accordance with the Listing Rules, the Subscriber will be required to abstain from voting on the resolution(s) in respect of the Subscription at the SGM. As at the Latest Practicable Date, the Subscriber and its associates are interested in 219,404,855 Shares, representing approximately 29.30% of the entire issued share capital of the Company. To the best of knowledge, information and belief of the Directors, no Shareholders (other than the Subscriber and its associates) is required to abstain from voting at the SGM.

As at the Latest Practicable Date, Mr. Chim was the sole shareholder and director of the Subscriber. He was considered to have a material interest in the Subscription Agreement and the transactions contemplated thereunder by virtue of his shareholdings and position in the Subscriber, and has abstained from the Board meeting approving the Subscription Agreement.

A form of proxy for use at the SGM is also enclosed. Whether or not you intend to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

IV. RECOMMENDATION

Your attention is drawn to the advice of the Listing Rules Independent Board Committee set out in its letter set out on pages 18 to 19 of this circular. Your attention is also drawn to the letter of advice from the Independent Financial Adviser to the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder set out on pages 20 to 34 of this circular.

The Directors (including the Listing Rules Independent Board Committee after considering the advice of the Independent Financial Adviser) consider that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms or better though it is not in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Listing Rules Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

V. FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

By Order of the Board
SUNWAY INTERNATIONAL HOLDINGS LIMITED
Law Chun Choi
Executive Director and Company Secretary

LETTER FROM THE LISTING RULES INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Listing Rules Independent Board Committee setting out its recommendation to the Listing Rules Independent Shareholders in relation to the Subscription Agreement and the transaction contemplated thereunder.



SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 58)

29 February 2020

To the Listing Rules Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

We refer to the circular issued by the Company dated 29 February 2020 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed by the Board to advise the Listing Rules Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. The Independent Financial Adviser has been appointed to advise the Listing Rules Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons which the Independent Financial Adviser has taken into consideration in giving such advice are set out in the “Letter from the Independent Financial Adviser” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information as set out in the appendix hereto.

* for identification purposes only

LETTER FROM THE LISTING RULES INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the Subscription Agreement and the transactions contemplated thereunder, and the recommendation of the Independent Financial Adviser as stated in its letter of advice, we are of the opinion that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms or better so far as the Listing Rules Independent Shareholders are concerned. While the Subscription Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, they are in the interests of the Company and the Shareholders as a whole. We, therefore, recommend that you vote in favour of the resolution to be proposed at the SGM.

Yours faithfully,

For and on behalf of
Listing Rules Independent Board Committee

Choi Pun Lap
*Independent non-executive
Director*

Tong Leung Sang
*Independent non-executive
Director*

Chan Sung Wai
*Independent non-executive
Director*

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from the Independent Financial Adviser, Ample Capital Limited, to the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in respect of the Share Subscription and is prepared for the purpose of incorporation into this circular.

AmCap

Ample Capital Limited
豐盛融資有限公司

Ample Capital Limited

Unit A, 14th Floor

Two Chinachem Plaza

135 Des Voeux Road Central

Hong Kong

29 February 2020

To the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in relation to the proposed Subscription. Details of the proposed Subscription are set out in the “Letter from the Board” contained in the circular of the Company to the Shareholders dated 29 February 2020 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise defined herein.

As at the Latest Practicable Date, the Subscriber held 219,404,855 Shares, representing approximately 29.30% of the entire issued share capital of the Company. Mr. Chim, being the executive director of the Company, is the sole director and the sole shareholder of the Subscriber. Accordingly, the Subscriber is a substantial shareholder and connected person of the Company under the Listing Rules. The Subscription constitutes a connected transaction of the Company and is subject to, among other things, Listing Rules Independent Shareholders’ approval requirement under the Listing Rules. In this connection, the Company will seek the Listing Rules Independent Shareholders’ approval for the Subscription at the SGM.

The Listing Rules Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Choi Pun Lap, Mr. Tong Leung Sang and Mr. Chan Sung Wai, has been formed to advise the Listing Rules Independent Shareholders in respect of the Subscription. We, Ample Capital Limited, have been appointed to advise the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in this regard.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

During the past two years, there have been no engagements between the Company and Ample Capital Limited. As at the Latest Practicable Date, there were no relationship or interests between (a) Ample Capital Limited; and (b) the Group and/or the Subscriber that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Listing Rules Independent Board Committee and the Listing Rules Independent Shareholders in respect of the Subscription as detailed in this circular.

BASIS OF ADVICE

In formulating our opinions and recommendations, we have relied on the information in relation to the Subscription and operation of the Group supplied to us by the Company, the opinions expressed by, and the representations of, the Directors and the management of the Company, including those set out in the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and presentation provided to us by the Directors.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have also assumed that all statements of opinion made by the Directors and the management of the Company in the Circular were reasonably made after due enquiries and careful consideration. The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

While we have taken reasonable steps to satisfy the requirements under the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company as set out in the Circular, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Subscription.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Subscription, we have taken into consideration the following principal factors:

1. Background to and reasons for the Subscription

a) Information on the Group

The Company is incorporated in Bermuda with limited liability, the Shares of which are currently listed on the Stock Exchange (stock code: 58). The Group principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products. Financial information of the Group (as extracted from the Group's interim report for the six months ended 30 June 2019 (the "Interim Report") and the Group's annual report for the year ended 31 December 2018 (the "Annual Report")) is further discussed below.

i) Financial results of the Group

	For the six months ended 30 June 2019 (unaudited) HK\$'000	For the six months ended 30 June 2018 (unaudited) HK\$'000	For the year ended 31 December 2018 (audited) HK\$'000	For the year ended 31 December 2017 (audited) HK\$'000
Revenue	150,889	200,187	414,717	315,515
(Loss)/profit for the period/year	(245,468)	777	(43,626)	(4,366)

As set out in the Interim Report and Annual Report, 99.7% and 97.3% of the Group's revenue for the six months ended 30 June 2019 and the year ended 31 December 2018 was derived from the PHC pile and other business.

The Group recorded an increase in revenue from HK\$315.5 million for the year ended 31 December 2017 to HK\$414.7 million for the year ended 31 December 2018. Such increase was mainly attributable to the increase in revenue of the Group's PHC pile and other business resulting from the rise in sales of ready-mixed concrete. However, the Group recorded a significant increase in net loss from HK\$4.4 million for the year ended 31 December 2017 to HK\$43.6 million for the year ended 31 December 2018. Such increase was mainly attributable to (i) the increase in provision for impairment loss of intangible assets of HK\$11.8 million for the year ended 31 December 2018; and (ii) the decrease in gain on disposal of assets classified as held-for-sale of HK\$21.5 million for the year ended 31 December 2017.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Group recorded a decrease in revenue from HK\$200.2 million for the six months ended 30 June 2018 to HK\$150.9 million for the six months ended 30 June 2019. Such decrease was mainly attributable to the decrease in revenue of the Group's PHC piles and other business resulting from the drop in sales of pre-stressed high strength concrete pile and ready-mixed concrete. The Group further recorded a significant net loss of HK\$245.5 million for the six months ended 30 June 2019 as compared to the net profit of HK\$0.8 million for the six months ended 30 June 2018. The reason was mainly attributable to (i) the increase in provision for impairment loss of trade receivables, net of reversal of HK\$114.1 million for the six months ended 30 June 2019; and (ii) the increase in provision for impairment loss of prepayment, deposits and other receivables, net of HK\$101.7 million for the six months ended 30 June 2019.

ii) Financial positions of the Group

	As at 30 June 2019 (unaudited) HK\$'000	As at 31 December 2018 (audited) HK\$'000	As at 31 December 2017 (audited) HK\$'000
Net current assets	114,110	394,114	434,298
Net assets attributable to owners of the Company	221,940	453,769	513,925
Cash and cash equivalents	27,112	23,156	77,146

The Group recorded a significant decrease in net current assets and net assets attributable to owners of the Company as at 30 June 2019 as compared to that of 31 December 2018. Such decrease was mainly due to (i) the decrease in trade and bill receivables of HK\$101.5 million; (ii) the decrease in prepayments, deposits and other receivables of HK\$190.5 million; and (iii) the increase in interest-bearing borrowing of HK\$10.5 million.

In particular, the cash and cash equivalents of the Group of HK\$27.1 million as at 30 June 2019 and 23.2 million as at 31 December 2018, respectively, was significantly lower than that of HK\$77.1 million as at 31 December 2017.

b) Information of the Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability principally engaged in investment holding, which is a substantial shareholder of the Company as at the Latest Practicable Date. Mr. Chim is the sole director and sole shareholder of the Subscriber.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Mr. Chim, aged 24, was appointed as an executive Director and the chairman of the Board on 28 May 2019. Mr. Chim has working experience in cross-border investment, private equities and financial products. As a fluent Arabic speaker, Mr. Chim has served as transformation associate consultant at Americana Group, a UAE-based F&B company operating more than 1,800 restaurants across 13 markets of the Middle East, North Africa (MENA) and Kazakhstan. Prior to graduating from the University of Pennsylvania in Modern Middle East Studies, Mr. Chim received training at Monitor Deloitte in Dubai, the National Bank of Abu Dhabi in Abu Dhabi, International New York Times and Meitu in Hong Kong.

As at the Latest Practicable Date, Mr. Chim is interested in the 219,404,855 Shares of the Company owned by the Subscriber, which represented approximately 29.30% of the issued share capital in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

c) Reasons for and benefits of the Subscription

With reference to the Letter from the Board, the net proceeds from the Subscription is expected to be approximately HK\$13.9 million. The Company intends to use the net proceeds from the Subscription for general working capital purpose, with the expected expenditure and timeline set out as follows:

Proposed use of proceeds	Estimated amount	Expected Timeline
(a) Group's rental related expenses	Approximately HK\$4 million	Payable by the Group on a monthly basis throughout the year ending 31 December 2020
(b) Payment of staff and directors' remuneration	Approximately HK\$3 million	Payable by the Group on a monthly basis throughout the year ending 31 December 2020
(c) Legal and professional fees	Approximately HK\$5 million	Payable throughout the year ending 31 December 2020
Total:	Approximately HK\$12 million	

The remaining proceeds of approximately HK\$1.9 million will be applied towards settling the Group's daily operating expenses.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As set out above, the Company recorded HK\$27.1 million and HK\$23.2 million for cash and cash equivalents of the Group as at 30 June 2019 and 31 December 2018 respectively, which demonstrated a significant decrease from HK\$77.1 million as at 31 December 2017. As set out in the “Letter from the Board”, despite the presence of existing cash, as at 31 December 2019, the Group has outstanding borrowings which amounted to approximately RMB18.4 million, consisting of (i) a secured revolving facility of approximately RMB4.1 million which will be due on 15 October 2020; (ii) a secured revolving facility of approximately RMB4.3 million which will be due on 23 October 2020; and (iii) a secured principal loan of approximately RMB10 million which will be due on 20 November 2020. Taking into account the liabilities of the Group, a significant portion of the existing cash will be applied towards to the repayment of debt and the existing cash could be depleted by the end of year 2020.

Based on the existing cash balance of the Company, and in view of the current financial position of the Company, it is necessary for the Group to retain the bank balance as funding for the repayment of liabilities throughout the year of 2020 and to safeguard the Group’s repayment ability. Hence, there is an imminent funding need of the Group whereby the fund raised by the Subscription could be applied towards operation, so that overall cash level after the Subscription would be sufficient to maintain its general working capital, reserve funds for repayment of liabilities, and to guard against any unexpected increase in costs or to respond to any unforeseen need in capital. The net proceeds raised from the Subscription will serve to facilitate the Company to maintain a stable cash flow.

Based on the above factors, we concur with the Directors that the Subscription is in the interests of the Company and the Listing Rules Independent Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

2. Principal terms of the Subscription Agreement

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares. Set out below is a summary of the principal terms of the Subscription Agreement. Further details are set out in the “Letter from the Board” contained in the Circular.

Date

29 November 2019 (after trading hours of the Stock Exchange)

Parties

- (1) Issuer : The Company; and
- (2) Subscriber : Wealthy Port Holdings Limited

Number of Subscription Shares

Pursuant to the Subscription Agreement, the Company will issue and the Subscriber will subscribe the Subscription Shares. As at the Latest Practicable Date, the Company has a total number of 748,936,324 Shares, the Subscription Shares (i.e. a total of 149,063,676 Shares) to be allotted and issued under the Subscription represent:

- (1) approximately 19.90% of the total number of issued Shares as at the Latest Practicable Date; and
- (2) approximately 16.60% of the total number of issued Shares as enlarged by the allotment and issuance of the Subscription Shares (assuming there will be no change in the total number of issued Shares between the Latest Practicable Date and the allotment and issue of the Subscription Shares).

Based on the closing price of the Shares of HK\$0.0800 per Share on 29 November 2019, the Subscription Shares have a market value of approximately HK\$11.9 million. Based on the nominal value of HK\$0.100 per Share, the aggregate nominal value of the Subscription Shares is HK\$14,906,367.60.

Ranking of the Subscription Shares

The Subscription Shares, which will be issued under specific mandate to be approved by the Listing Rules Independent Shareholders at the SGM, when issued and fully paid, will rank pari passu among themselves and with the Shares then in issue.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Subscription Price

The Subscription Price of HK\$0.100 per Subscription Share. As set out in the “Letter from the Board” contained in the Circular, the Subscription Price was determined after arm’s length negotiations between the Company and the Subscriber with reference to (a) the market price of the Shares prior to and on the Last Trading Day; (b) the capital needs and financial position of the Group; and (c) the prevailing market price of the Shares.

Conditions to Subscription

Subscription Completion is conditional upon fulfillment of the conditions precedent as set out in the sub-section headed “Conditions to the Subscription” in the “Letter from the Board” contained in the Circular, including but not limited to (i) the passing of an ordinary resolution by the Listing Rules Independent Shareholders at the SGM approving the allotment and issue of the Subscription Shares by the Company (including the Specific Mandate); and (ii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares, and such approval not being revoked. The conditions precedent specified above are not capable of being waived by any of the parties to the Subscription Agreement, and if the conditions are not fulfilled or satisfied at or before 4:00 p.m. on the Long Stop Date, the Subscription Agreement shall cease and terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

Consideration for the Subscription Shares

The total consideration for the Subscription Shares of approximately HK\$14.9 million shall be payable in cash by the Subscriber on the Completion Date.

Subscription Completion

Completion of the Subscription Agreement shall take place on a date no later than the fifth Business Day after the last outstanding condition precedent pursuant to the Subscription Agreement (other than those condition(s) precedent which can only be fulfilled upon Completion) shall have been fulfilled (or such other date as may be agreed by the Company and the Subscriber in writing).

3. Analysis of the Subscription Price

a) Comparison of the Subscription Price and the market price

The Subscription Price of HK\$0.100 per Subscription Share represents:

- (1) a premium of approximately 25.00% to the closing price of HK\$0.0800 per Share as quoted on the Stock Exchange on 29 November 2019, being the date of the Subscription Agreement and the Last Trading Day;

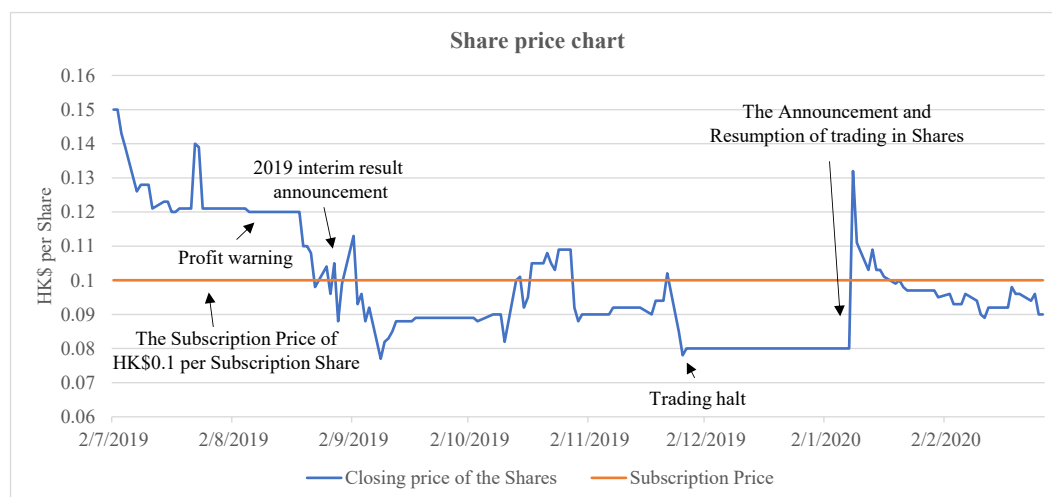
LETTER FROM INDEPENDENT FINANCIAL ADVISER

- (2) a premium of approximately 24.07% to the average closing price of approximately HK\$0.0806 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the date of the Subscription Agreement;
- (3) a discount of approximately 83.50% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.606 per Share (based on the audited consolidated net asset value attributable to Shareholders as at 31 December 2018 (the date to which the latest audited financial results of the Group were made up) divided by 748,936,324 Shares in issue as at the Latest Practicable Date);
- (4) a discount of approximately 66.26% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 of approximately HK\$0.296 per Share (based on the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 (the date to which the latest unaudited financial results of the Group were made up) divided by 748,936,324 Shares in issue as at the Latest Practicable Date); and
- (5) a premium of approximately 11.1% to the closing price of HK\$0.090 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price is compared to the market range of comparable issues set out in the sub-section headed “Comparable issues” of this letter below.

b) Share price performance

In order to assess the fairness and reasonableness of setting the Subscription Price at HK\$0.100 per Share, we have reviewed the Share price performance for the period from 1 July 2019 up to and including the Latest Practicable Date (the “**Review Period**”). We considered such Review Period is representative in analysing the recent market condition and performance of the Shares. The chart below illustrates the daily closing price per Share during the Review Period.



Source: the website of Stock Exchange

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The closing price of Shares showed a general downward trend from HK\$0.150 per Share as at 2 July 2019 to HK\$0.120 per Share as at 14 August 2019. On 14 August 2019 and 30 August 2019, the Company issued a profit warning announcement and interim result announcement for the six months ended 30 June 2019 with a further increase in net loss of HK\$201.8 million. After such announcements, the closing price of Shares showed a general downward trend to HK\$0.080 per Share as at 29 November 2019, representing a decrease of 33.3% as compared to that of 14 August 2019.

The Company announced a trading halt in relation to the Subscription as at 2 December 2019. On 9 January 2020, the Company published the announcement in relation to the Subscription and the trading resumption. On that day, the closing price of Shares was HK\$0.132 per Share, representing an increase of 65.0% as compared to that of HK\$0.080 per Share as at 29 November 2019 which is the trading day immediately prior to the trading halt.

The Share closed at a price of HK\$0.090 per Share as at the Latest Practicable Date. The Subscription Price represents (i) a premium of approximately 11.1% to the closing price of HK\$0.090 per Share as at the Latest Practicable Date; and (ii) a discount of approximately 2.0% to the average closing price of the Shares of approximately HK\$0.102 per Share during the Review Period. The closing prices of the Shares fluctuated within the range from HK\$0.150 to HK\$0.077 during the Review Period.

The closing price of Shares of HK\$0.08 per Share as at the date of Subscription Agreement was close to the lowest closing price of Shares of the Company during the Review Period of HK\$0.077 per Share as at 9 September 2019. We further noted that during the period from date of profit warning announcement of 14 August 2019 and up to the date of Subscription Agreement of 29 November 2019, (i) the closing prices of Shares represented the deteriorating financial results of the Group as disclosed in the profit warning announcement and interim result announcement for the six months ended 30 June 2019; and (ii) 56 out of 76 days, or 73.7%, of the closing price of Shares were below the Subscription Price of HK\$0.1 per Share.

Based on the above, we consider that the Subscription Price and the Subscription are fair and reasonable in comparison of the historical closing prices of Shares.

c) Comparable issues

We have searched on a best effort basis and identified issue of new shares under specific mandate (excluding (a) issue of consideration shares solely for acquisition of assets and payment of services; and (b) issue of shares in rights issue or open offer) by companies listed on the Stock Exchange (the “**Comparable Issues**”), with announcements published since 1 July 2019 and up to the Latest Practicable Date, being approximately a 7-month review period. The approximate 7-month review period was adopted to demonstrate the recent market trends with sufficient and representative number of Comparable Issues and thus we consider the timeframe is reasonable and representative.

Based on the foresaid criteria and to the best of our knowledge, we have identified 15 Comparable Issues which we consider to be exhaustive. It should be noted that the subject companies involved in the Comparable Issues have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company. The circumstances surrounding such issues may also be different from those relating to the Company. The table below is therefore provided for illustrative purposes only and provides a general reference for the Listing Rules Independent Shareholders about market practice of transactions of this type.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Comparable Issues represent an exhaustive list of new shares issues meeting the criteria as set out above. The table below sets out the details of the Comparable Issues:

Date of announcement	Company name	Stock code	Premium/(discount) over/(to) the average closing price of the shares as at the respective last trading date (approximately)	the net asset value attributable to owners (Note 1) (approximately)
1/7/2019	Value Convergence Holdings Limited	821	(18.18%)	(46.70%)
2/7/2019	FDG Electric Vehicles Limited	729	(10.00%)	(35.78%)
10/7/2019	Glory Sun Financial Group Limited	1282	(19.35%)	8.64%
16/7/2019	DTXS Silk Road Investment Holdings Company Limited	620	(17.88%)	356.33%
19/7/2019	Colour Life Services Group Co., Limited	1778	(3.51%)	94.70%
28/8/2019	Global Link Communications Holdings Limited	8060	(13.00%)	(22.05%)
22/9/2019	Evergreen Products Group Limited	1962	(14.36%)	26.24%
27/9/2019	Global Bio-chem Technology Group Company Limited	809	(20.00%)	N/A (Note 2)
1/11/2019	OZNER Water International Holding Limited	2014	(30.40%)	(38.08%)
10/11/2019	BC Technology Group Limited	863	(8.73%)	8,328.50%
19/11/2019	Panda Green Energy Group Limited	686	7.80%	(48.82%)
26/11/2019	JTF International Holdings Limited	8479	0.00%	(55.78%)
29/11/2019	Shougang Concord International Enterprises Company Limited	697	(13.04%)	(12.72%)
22/1/2020	CT Vision (International) Holdings Limited	994	(21.57%)	38.68%

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name	Stock code	Premium/(discount) over/(to) the average closing price of the the closing price of the shares as at the respective last trading date <i>(approximately)</i>	shares during the respective last five consecutive trading days <i>(approximately)</i>	the net asset value attributable to owners (Note 1) <i>(approximately)</i>
6/2/2020	China Finance Investment Holdings Limited	875	(31.60%)	(33.90%)	(68.04%)
	Median		(14.36%)	(15.00%)	(17.38%)
	Maximum		7.80%	11.71%	8,328.50%
	Minimum		(31.60%)	(33.90%)	(68.04%)
	The Subscription		25.00%	24.07%	(66.26%)

Note:

1. Figures are calculated based on (i) the net asset value attributable to owners of the Comparable Issues as set out in their respective latest reports available as at the date immediately prior to their respective announcements in relation to the issue of new shares; and (ii) the number of issued shares as disclosed in their respective announcements in relation to the issue of new shares, where figures in Renminbi were translated at an exchange rate as at the date of their respective announcement sourced from the Hong Kong Association of Banks;
2. such figure is not available as such company had a net liability position; and
3. save for the exchange rate as discussed, all data are sourced from the website of Stock Exchange.

As set out in the table above, we noted that:

- (i) only one out of 15 of the Comparable Issues represents premium to both of its relevant closing prices, being approximately 7.80% and 9.20% respectively. The Subscription Price representing a premium of approximately 25% and 24.07% of the closing prices is the highest and beyond the range; and
- (ii) eight out of 15 of the Comparable Issues represented discount to its relevant net asset value attributable to owners, with a maximum discount of approximately 68.04% and minimum discount of approximately 12.72%. The Subscription Price representing a discount of approximately 66.26% of the net asset value attributable to the owners and is within the range of Comparable Issues.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Despite the Subscription Price represents a discount to the net asset value attributable to the owners of the Company, we note that such discount is within the range of Comparable Issues and the Shares normally traded at a substantial discount to the net asset value attributable to owners of the Company during the Review Period. Assuming the latest consolidated net asset value of the Group was generally available to the market from the date of publication of the relevant results announcements and the Share price has reflected such information thereafter, (i) the discount of the closing price of Shares to the net asset value attributable to owners of the Company ranged from 55.5% to 85.5% during the Review Period; and (ii) the average of such discounts of 72.0% during the Review Period was larger than the discount of the Subscription Price to the net asset value attributable to owners of the Company of 66.26%.

The net asset value attributable to owners of the Company amounted to HK\$0.296 per Share as at 30 June 2019. Immediately after the Subscription Completion, the net asset value attributable to owners of the Company was HK\$0.264 per Share, representing a decrease of 10.8% as compared to that as at 30 June 2019. Given the immediate funding need of the Company, we considered the value dilution of net asset value attributable to owners of the Company is acceptable.

In view of the above, given that (i) the Subscription Price represents a substantial premium to the closing price of the Shares as at the last trading date and the average closing prices of the Shares during the respective last five consecutive trading days and is above the range of Comparable Issues; and (ii) the Shares had been traded at a substantial discount to the net asset value attributable to owners of the Company during the Review Period, we consider that the Subscription Price is fair and reasonable in the comparison of respective closing prices of the Comparable Issues.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

4. Dilution effect on the shareholding interests of the existing public shareholders

The following table summarises the effect of the Subscription on the shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Subscription Completion (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of the Subscription Completion). Further details of the shareholding table and the corresponding notes (including changes related to the Subscription) are set out in the sub-section headed “Effect on shareholding structure of the Company” in the “Letter from the Board” contained in the Circular.

	(i) as at the Latest Practicable Date		(ii) immediately after the Subscription Completion	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
The Subscriber and parties acting in concert with it				
The Subscriber	219,404,855	29.30%	368,468,531	41.03%
Mr. Li Chongyang	4,610,000	0.62%	4,610,000	0.51%
	224,014,855	29.92%	373,078,531	41.54%
Other Shareholders				
Business Century Investments Limited	61,124,833	8.16%	61,124,833	6.81%
Everun Oil Co., Limited	86,581,000	11.56%	86,581,000	9.64%
Other public Shareholders	377,215,636	50.36%	377,215,636	42.01%
	524,921,469	70.08%	524,921,469	58.46%
Total	748,936,324	100.00%	898,000,000	100.00%

As illustrated above, upon the completion of the Subscription (absent of any other changes), the shareholding of the existing public Shareholders will be reduced by approximately 8.35% from approximately 50.36% as at the Latest Practicable Date to approximately 42.01%.

Taking into account of the premium represented by the Subscription Price and the additional funds to the Company as a result of the Subscription, we consider that the dilution effect to the shareholding interest of the Listing Rules Independent Shareholders as a result of the Subscription acceptable.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

CONCLUSION

With reference to the financial statements of the Company, the Group recorded a decrease in revenue and a significant net loss of HK\$245.5 million for the six months ended 30 June 2019. The cash and cash equivalents of the Group as at 30 June 2019 and 31 December 2018 were also significantly lower than that as at 31 December 2017. Taking into account the expected funding needs of the Company, the net proceeds raised from the Subscription will serve to facilitate the Company to maintain a stable cash flow. As such, we concur with the Directors that the Subscription is in the interests of the Company and the Listing Rules Independent Shareholders as a whole.

Despite the Subscription Price represents a discount to the net asset value attributable to the owners of the Company, given that (i) the Subscription Price represents a substantial premium to the closing price of the Shares as at the last trading date and the average closing prices of the Shares during the respective last five consecutive trading days and is above the range of Comparable Issues; and (ii) the Shares had been traded at a substantial discount to the net asset value attributable to owners of the Company during the Review Period, we consider that the Subscription Price is fair and reasonable in the comparison of respective closing prices of the Comparable Issues.

Upon the completion of the Subscription (absent of any other changes), the shareholding of the existing public Shareholders will be reduced by approximately 8.35% from approximately 50.36% as at the Latest Practicable Date to approximately 42.01%. Despite of the slight dilution to the shareholding of the existing public Shareholders, we consider this to be acceptable in light of the above-mentioned factors.

Having taken into account the principal factors and reasons as stated above, we consider that the Subscription, though not in the ordinary and usual course of business of the Group, is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Listing Rules Independent Shareholders as a whole.

Accordingly, we advise the Listing Rules Independent Board Committee to recommend, and we ourselves recommend, the Listing Rules Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Subscription.

Yours faithfully,
for and on behalf of
Ample Capital Limited

H.W. Tang
President

Jenny Law
Vice President

Mr. H.W. Tang is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Mr. H.W. Tang has over 16 years of experience in the corporate finance industry.

Ms. Jenny Law is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Jenny Law has over 10 years' experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interest in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	The Company/ name of associated corporation	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company/ associated corporation
Mr. Chim	The Company	Interest in controlled corporation – Corporate interest (<i>Note</i>)	219,404,855 (Long Position)	29.30%
Mr. Chim	Wealthy Port Holdings Limited	Beneficial owner (<i>Note</i>)	1 (Long Position)	100%
Mr. Li	The Company	Beneficial owner	4,610,000 (Long Position)	0.62%

Note: As at the Latest Practicable Date, the 219,404,855 Shares are held by Wealthy Port Holdings Limited. Mr. Chim beneficially owns 100% of the entire issued share capital of Wealthy Port Holdings Limited and is deemed, or taken to be, interested in all the Shares held by Wealthy Port Holdings Limited for the purposes of the SFO. Mr. Chim is an executive Director and a director of Wealthy Port Holdings Limited.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective associates had any interests in other business, which competes or may compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group; and
- (b) none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

- (a) The following sets out the qualifications of the experts who have given their opinions or advice as contained in this circular:

Name	Qualification
Ample Capital	a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Lam & Co.	Legal adviser as to Hong Kong law

- (b) As at the Latest Practicable Date, Ample Capital and Lam & Co. did not have any shareholding in the Company or any other member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.
- (c) As at the Latest Practicable Date, Ample Capital and Lam & Co. had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2018 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.
- (d) Ample Capital and Lam & Co. had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at 3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. on any business days during a period of 14 days (except public holidays) from the date of this circular:

- (a) The Subscription Agreement;
- (b) The letter from the Listing Rules Independent Board Committee;
- (c) The letter from the Independent Financial Adviser;
- (d) The legal opinion dated 2 December 2019 given by Lam & Co.; and
- (e) The consent letters from the experts.

9. MISCELLANEOUS

The English text of this circular shall prevail over its Chinese text.

NOTICE OF SGM



SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 58)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Sunway International Holdings Limited (the “**Company**”) will be held at Unit 1902, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong at 11:30 a.m. on Monday, 16 March 2020 for the purposes of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the subscription agreement (the “**Subscription Agreement**”) dated 29 November 2019 entered into between the Company as issuer and Wealthy Port Holdings Limited (the “**Subscriber**”) as subscriber in relation to the proposed subscription of 149,063,676 shares of HK\$0.100 each in the share capital of the Company (each a “**Subscription Share**”, and collectively, the “**Subscription Shares**”) at the price of HK\$0.100 per Subscription Share (a copy of the Subscription Agreement marked “A” and signed by the chairman of the SGM for identification purpose has been tabled at the meeting) be and are hereby approved, ratified and confirmed and any one director of the Company (the “**Director**”) be and is hereby authorised to approve any changes and amendments thereto as he may consider necessary, desirable or appropriate;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares, subject to and in accordance with the terms and conditions set out in the Subscription Agreement; and

* *for identification purposes only*

NOTICE OF SGM

- (c) all other transactions contemplated under the Subscription Agreement be and are hereby approved and any one Director be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Subscription Agreement, or any of the transactions contemplated under the Subscription Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are not fundamentally different from those as provided under the Subscription Agreement) as are, in the opinion of the Director, in the interests of the Company and its shareholders as a whole.”

By Order of the Board
SUNWAY INTERNATIONAL HOLDINGS LIMITED
Law Chun Choi
Executive Director and Company Secretary

Hong Kong, 29 February 2020

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. The form of proxy for use at the SGM is enclosed herewith. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the special general meeting or any adjournment thereof, should he/she so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided on by way of poll.

As at the date of this notice, the board of Directors of the Company comprises three executive Directors, namely, Mr. Chim Sai Yau, Oscar, Mr. Li Chongyang and Mr. Law Chun Choi, one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Tong Leung Sang and Mr. Chan Sung Wai.