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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)

PROFIT WARNING

This announcement is made by Sunway International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Inside Information Provisions**”).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company and the preliminary review of the Group’s latest available unaudited consolidated management accounts for the year ended 31 December 2019, the Group is expected to record a substantial consolidated loss for the year ended 31 December 2019 of not less than HK\$330 million as compared to the consolidated loss for the corresponding period in 2018 of approximately HK\$44 million. Such increase in expected loss is mainly attributable to the following factors:

- (i) decrease in both of the revenue and gross profit;
- (ii) provision for impairment loss of refundable earnest money paid. For details, please refer to the announcements of the Company dated 12 September 2017, 10 October 2017, 25 April 2018 and 2 July 2019 respectively; and
- (iii) provision for impairment loss of loan receivables. For details, please refer to the Company’s announcement dated 20 January 2020.

The Company has not yet finalised the annual results of the Group for the year ended 31 December 2019. This announcement is only based on the preliminary assessment on the consolidated management accounts of the Group which has not been reviewed by the audit committee of the Company and may be subject to amendments after the further review by the auditor and valuer.

Shareholders and potential investors are advised to read carefully the results announcement of the Company for the year ended 31 December 2019, which is expected to be published by the end of March 2020 or such a later date as otherwise announced by the Company.

Reference is made to the joint announcement dated 8 January 2020 (the “**Joint Announcement**”) issued by the Company and Wealthy Port Holdings Limited in relation to, among other things, (i) the connected transaction of share subscription under specific mandate; and (ii) the possible mandatory conditional cash offer by I-Access for and on behalf of the Offeror to acquire all the issued Shares and outstanding Convertible Notes of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

Pursuant to Rule 10 of the Takeovers Code, the profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast and is required to be reported on by the Company’s financial advisers and its auditor or accountant in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions, which requires the Company to issue a profit warning announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors that this profit warning does not meet the standard required by Rule 10 of the Takeovers Code. This profit warning is normally required to be separately reported on by the Company’s financial advisers and its auditor or accountant and such reports shall be contained in the next document to be issued by the Company to the Shareholders in connection with the Offers. The profit warning will be reported on in accordance with Rule 10 of the Takeovers Code and such reports will be included in the Composite Document unless the annual results announcement for the year ended 31 December 2019 has been published prior to the Composite Document to be issued to the Shareholders in relation to the Offers.

Shareholders and potential investors of the Company should note that this profit warning has not been reported on in accordance with the requirements under Rule 10.4 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the forecast in assessing the merits and demerits of the Offers. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sunway International Holdings Limited
Law Chun Choi
Executive Director and Company Secretary

Hong Kong, 18 March 2020

As at the date of this announcement, the Board 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to their best knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

Website: <http://www.hk0058.com>

** For identification purpose only*