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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)

VERY SUBSTANTIAL ACQUISITION INVOLVING THE ISSUE OF CONVERTIBLE NOTES AND RESUMPTION OF TRADING

THE ACQUISITION

On 3 October 2013, the Company and the Purchaser entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares and the Shareholder's Loan at a Consideration of HK$550 million.

According to the information provided by the Vendor and the Target Group, the Target Group is principally engaged in the production of building and construction materials in the PRC, in particular PC steel bars, PHC piles, ready-mixed concrete and various types of bricks.

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements.

A circular containing, among other matters, further details of the Acquisition, the accountants' report on the Target Group, the valuation report on the Target Group and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 24 February 2014.

* *For identification purposes only*

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:20 a.m. on 2 October 2013 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 January 2014 following the publication of this announcement.

On 3 October 2013, the Purchaser entered into the Sale and Purchase Agreement for the Acquisition. Set out below are the details of the Acquisition:

SALE AND PURCHASE AGREEMENT

Date:

3 October 2013

Parties:

(1) the Purchaser;

(2) the Company;

(3) the Vendor; and

(4) the Guarantor

The Purchaser is a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and the Guarantor are third parties independent of the Company and its connected persons. The Guarantor is the legal representative and chairman of Zhuhai Hoston. With substantial experience and know-how in the industry of the Target Group business, the Guarantor has been heavily involved in the day to day management and operations of Zhuhai Hoston since late 1995 and he is extremely familiar with the business operations of Zhuhai Hoston and all other related aspects. In addition, the Guarantor is a close friend of the Vendor for more than 30 years. In this connection, the Purchaser requested the Guarantor to join the Vendor as a party to provide the Profit Guarantee as well as to give the warranties and representations under the Sale and Purchase Agreement.

Assets to be acquired

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares and the Shareholder's Loan at a Consideration of HK$550 million. The Sale Shares represent 100% of the issued share capital of the Target Company (for further details of the shareholding structure of the Target Group, please refer to the section headed "Shareholding Structure of the Target Group" of this announcement).

Subject to the satisfaction of the conditions to the Sale and Purchase Agreement and upon the terms thereof, the Vendor shall sell and the Purchaser shall, in reliance on the warranties, purchase or procure the purchase of the Sale Shares free from all rights of options, liens, claims, equities, encumbrances, pre-emption or third-party rights of any nature and other rights and interests now or hereafter becoming attached or accruing thereto as from Completion Date.

In addition, the Vendor shall assign to the Purchaser or its nominee absolutely with effect from Completion, and the Purchaser shall purchase, all the right, title and interest in the Shareholder's Loan free from any encumbrances at Completion Date.

As at the date of this announcement, the principal asset of the Target Company is the entire issued share capital of the HK Company, which directly owns 95% of the equity interest in Zhuhai Hoston and indirectly owns 66.5% of the equity interest in Guangdong Hengjia. The businesses of the Target Group are set out in the section headed "Information on the Target Group" of this announcement.

Consideration

The aggregate Consideration payable by the Purchaser to the Vendor shall be HK$550 million and is to be satisfied as follows:

(i) as to HK$150 million in cash by the Purchaser to the Vendor upon Completion;

(ii) as to HK$300 million by procuring the Company to issue to the Vendor the Convertible Notes in the aggregate principal amount of HK$300 million upon Completion; and

(iii) as to HK$100 million by means of the Promissory Note to the Vendor,

The Consideration was arrived at after arm's length negotiation between the Company and the Vendor and was determined with reference to the preliminary valuation ("**Preliminary Valuation**") of the entire equity interest of the Target Company of HK$564,860,000 as at 30 November 2013 prepared by Peak Vision Appraisals Limited, and the future prospects of the Target Group as discussed in the section headed "Reasons for the Acquisition" of this announcement. As the Preliminary Valuation was arrived at using the discounted cash flow method under the income-based approach for business valuations and adopted certain assumptions in preparing the said preliminary valuation, the Preliminary Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. Details of the principal assumptions of the Preliminary Valuation are as follows:

1. For the Target Group to continue as a going concern, the Target Group will successfully carry out all necessary activities for the development of its businesses;

2. The availability of finance will not be a constraint on the forecast growth of the Target Group's operations in accordance with the business plans and the projections;

3. Market trends and conditions where the Target Group operates will not deviate significantly from economic forecasts in general;

4. The unaudited financial statements of the Target Group as supplied to Peak Vision Appraisals Limited have been prepared in a manner which truly and accurately reflect the financial position of the Target Group as at the respective balance sheet dates;

5. Key management, competent personnel and technical staff will all be retained to support the ongoing operation of the Target Group;

6. There will be no material changes in the business strategy of the Target Group and its operating structure;

7. Interest rates and exchange rates in the localities for the operation of the Target Group will not differ materially from those presently prevailing;

8. All relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Group operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

9. There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues and profits attributable to the Target Group.

The cash portion of the Consideration of HK$150 million will be partially satisfied by the Company's internal resources and partially from fresh funds to be raised by the Company's chairman by way of loan or other means to be confirmed before the issuance of the notice of the SGM. As at 30 September 2013, being the latest available cash position of the Company as disclosed in the Company's Annual Report 2013, the cash and cash equivalents amounts to approximately HK$148 million.

Conditions Precedent

Completion of the Sale and Purchase Agreement is conditional upon the following conditions being fulfilled and/or waived by the Purchaser at its discretion:

(a) approval by the Stock Exchange of all necessary announcement and circular to be released by the Company in compliance with the Listing Rules;

(b) completion of the due diligence by the Purchaser on the Target Group, including but not limited to its of properties, assets, liabilities, business, prospects, financial, legal and other circumstances and conditions, and the Purchaser being satisfied with the results of such due diligence at its reasonable discretion;

(c) passing of the ordinary resolution on the SGM by the Shareholders to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Promissory Note, the Convertible Notes and the Conversion Shares;

(d) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares;

(e) the Purchaser having obtained a PRC legal opinion (in such form and substance satisfactory to the Purchaser) from a qualified PRC lawyer appointed by the Purchaser, confirming, *inter alia*, the followings;

   (i) the HK Company having beneficially owned 95% of the equity interest in the registered and paid-up capital of Zhuhai Hoston, and having obtained the certificate of Sino-foreign joint ventures enterprise, the business license and all necessary approvals, authorizations and/or permits;

   (ii) Zhuhai Hoston having beneficially owned 70% of the equity interest in the registered and paid-up capital of Guangdong Hengjia, and having obtained the enterprise certificate, the business license and all necessary approvals, authorizations and/or permits;

   (iii) Zhuhai Hoston and Guangdong Hengjia having obtained all reasonable relevant approvals, permits, licenses and/or consents as reasonably required for and in connection with the carrying on of their businesses, including but not limited to those issued by the State Administration of Foreign Exchange of the PRC, the State Administration for Industry & Commerce of the PRC and the Ministry of Commerce of the PRC (if applicable);

   (iv) Zhuhai Hoston and Guangdong Hengjia having legally obtained the land use rights certificates, real estate licenses and having paid up all the payments; and

   (v) All other matters to be included as reasonably requested by the Purchaser.

(f) the Purchaser not having discovered or known from the date of the Sale and Purchase Agreement and up to Completion that there being any abnormal operations or any material adverse change in the financial, business, performance, or business prospects in respect of the Target Group;

(g) upon Completion, the Vendor's representations and warranties remaining true and accurate and not misleading as if they are repeated at Completion and any time in the period from the date of the Sale and Purchase Agreement to Completion;

(h) at the request of the Purchaser, the nominees of the Purchaser being appointed as the legal representatives and directors of Zhuhai Hoston and Guangdong Hengjia (not less than half of the composition of each board); and

(i) the Vendor having provided a written legal opinion (in such form and substance satisfactory to the Purchaser) from a British Virgin Islands lawyer, confirming the due incorporation and subsisting of the Target Company, the Vendor being the legal and beneficial owner of the Sale Shares, and the Target Company having obtained all necessary licenses, consents and permits in relation to its existing business and development.

Conditions (a), (c) and (d) could not be waived, while others are waivable. However, the Company has no intention to waive any of the above conditions and the Company will duly inform the Shareholders if it decides to waive any of them. If any of the above conditions precedent has not been fulfilled or waived in writing by the Purchaser on or before the Long Stop Date, the Sale and Purchase Agreement will be terminated and all obligations and liabilities of the parties will forthwith cease and determine, except for any antecedent breaches. As at the date of this announcement, none of the above conditions has been fulfilled.

Completion

Subject to the fulfillment and/or waiver of the conditions set out above, Completion shall take place on the Completion Date or at such other time as the Company and the Vendor may agree in writing.

On Completion Date, Convertible Notes in the principal amount of HK$100 million shall be pledged to the Purchaser by the Vendor (the "**Pledged Convertible Notes**") to secure the Profit Guarantee.

Upon Completion, the Vendor shall nominate two directors to join the Board, and the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

After-Tax Profit Guarantee

The Vendor and the Guarantor guarantee and undertake to the Purchaser that, the consolidated after-tax net profit of the Target Group, shown in the audited accounts prepared by a certified accountant in Hong Kong approved by the Purchaser and in accordance with the Hong Kong GAAP, for each of the three financial years ended 31 December 2016, shall not be less than RMB30 million. The amount of guaranteed profit is determined based on the business negotiation among the parties with reference to the unaudited net profit after taxation of the Zhuhai Hoston Group for the year ended 31 December 2012 and the nine months ended 30 September 2013 which amounted to approximately HK$31 million and approximately HK$34.5 million respectively.

In the event that the said consolidated after-tax net profit of the Target Group being less than the Profit Guarantee, the Vendor and the Guarantor shall be liable to pay the Purchaser, within seven (7) Business Days after the said audited accounts are finalized, for the deficient amount based on the below formula:–

Deficient Amount = Profit Guarantee – Net Profit

In the event that the Vendor and the Guarantor failed to make timely payment for the deficient amount and all relevant expenses, the Purchaser shall have the right to deduct such deficient amount from the Pledged Convertible Notes.

The Company shall release the Pledged Convertible Notes to the Vendor after fulfillment of the Profit Guarantee and other obligations after each of the three financial years in the following manner:

(a) the Convertible Notes in the principal amount of HK$30 million or the balance thereof to be released before 28 April 2015;

(b) the Convertible Notes in the principal amount of HK$30 million or the balance thereof to be released before 28 April 2016;

(c) the balance of the Convertible Notes to be released before 28 April 2017.

The terms regarding the amount and duration of the Profit Guarantee are reached as a result of business negotiation and commercial decision.

The Convertible Notes

Pursuant to the Sale and Purchase Agreement, as part payment of the Consideration, the Company will issue to the Vendor the Convertible Notes in an aggregate principal amount of HK$300 million upon Completion.

The principal terms of the Convertible Notes are summarized as follows:

Issuer:	The Company
Noteholder(s):	The Vendor (or his nominee(s))
Principal amount:	HK$300 million
Interest:	Nil
Maturity:	28 April 2017. At 4:00 p.m. on the Maturity Date, any Convertible Notes not being redeemed or converted shall be automatically converted into Conversion Shares at the Conversion Price subject to compliance with the Listing Rules and the Takeovers Code. If any such conversion may breach the Listing Rules or the Takeovers Code, the Company may convert such sum of the Convertible Notes into Shares as it considers appropriate and the remaining balance of any Convertible Notes will be cancelled immediately.
Conversion Price:	The Conversion Price shall be HK$0.30 per Conversion Share. The Conversion Price of HK$0.30 represents: (i) a premium of approximately 1.69% to the closing price of HK$0.295 per Share as quoted on the Stock Exchange on 30 September 2013, being the last full trading day before the Shares were suspended for trading on the Stock Exchange pending the release of this announcement;

(ii) a premium of approximately 18.39% to the average closing price of approximately HK$0.253 per Share as quoted on the Stock Exchange for the five (5) consecutive full trading days up to and including 30 September 2013, being the last full trading day before the Shares were suspended for trading on the Stock Exchange pending the release of this announcement;

(iii) a discount of approximately 33.18% over the net asset value per Share of HK$0.449 as at 30 September 2013, which is calculated based on the number of Shares of 1,016,001,301 in issue as at the date of this announcement and the net assets of approximately HK$456,473,000 of the Company as at 30 September 2013;

The Conversation Price was agreed after arm's length negotiations between the Company and the Vendors, with reference to the recent trading price of the Shares on the Stock Exchange and the market sentiment of the stock markets.

The Conversion Price will from time to time be adjusted upon the occurrence of, among other matters, consolidation or subdivision of Shares, capitalisation issues, capital distribution, rights issues, issue of shares and other dilutive events, being customary dilutive events which usually appear in convertible securities in the market.

Conversion right: Provided that (i) any conversion of the Convertible Note shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Notes which exercised the Conversion Rights, whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Notes (if applicable, including any Shares acquired by the parties acting in concert with the holder(s) of the Convertible Notes) represents 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any one time in compliance with the Listing Rules, the holder of the Convertible Notes shall, subject to compliance with the procedures set out in the conditions, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Convertible Notes registered in its name into Shares (the "**Conversion Restrictions**").

Ranking of Conversion Shares:	The Conversion Shares shall rank *pari passu* in all respects with all other existing Shares outstanding on the date of conversion and the holder of the Convertible Notes shall be entitled in respect of its Conversion Shares to all dividends and other distributions the record date of which falls on a date on or after the date of conversion.
Voting:	The holder(s) of the Convertible Notes will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it/they being the holder(s) of the Convertible Notes.
Transferability:	The Convertible Notes (nor any part thereof) may be assigned or transferred by the holder subject to the prior notification to the Company. The Convertible Notes (or any part thereof) may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company. In respect of transfer to connected person, upon the grant of written consent by the Company and subject to any conditions, approvals, requirements and any other provisions, the Convertibles Notes may be transferred if, and only if, the transfer is in accordance with its provisions.
Early redemption:	The Convertible Notes can be early redeemed by the Company before the Maturity Date in amount of not less than a whole multiple of HK$10,000,000.
Conversion Shares:	Assuming the issue of the Convertible Notes is completed and based on the Conversion Price of HK$0.30 per Conversion Share, a number of 1,000,000,000 Conversion Shares will be allotted and issued if the conversion rights attaching to the Convertible Notes are exercised in full, representing approximately 98.43% of the issued share capital of the Company as at the date of this announcement and approximately 49.60% of the Company's issued share capital as enlarged by the allotment and issue of the Conversion Shares in full. The Conversion Shares will be issued and allotted under the specific mandate of the Company. The Directors proposed to seek approval from the Shareholders at the SGM to issue the Conversion Shares.
Listing:	No application will be made for the listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

INFORMATION ON THE TARGET GROUP

The following sets out the information relating to the Target Group as provided by the Vendor:

The Target Company

The Target Company is an investment holding company incorporated in the British Virgin Islands on 28 May 2013. As represented by the Vendor, the Target Company has not commenced any business operation since its incorporation except for its indirect holding in Zhuhai Hoston and Guangdong Hengjia.

The HK Company

The HK Company is an investment holding company incorporated in Hong Kong on 1 April 1998 and is wholly-owned by the Target Company. Save and except for the 95% equity interest in Zhuhai Hoston and the Shareholder's Loan, the HK Company has no other material assets and liabilities as at the date of this announcement.

Zhuhai Hoston

Zhuhai Hoston is a Sino-foreign joint venture incorporated in the PRC with limited liability on 3 November 1995 and changed to limited liability by shares on 29 March 2001. Zhuhai Hoston is principally engaged in the business of research and development, production and sale of pre-stressed ("**PC**") steel bars, steel strand wires, various pre-stressed materials and their respective production equipment, and industrial and building pre-stressed materials. Throughout year 2000 to 2011, the HK Company had held 25% equity interest in Zhuhai Hoston. In December 2012, a further equity interest of 25.4% was acquired and Zhuhai Hoston became a subsidiary of the HK Company since then. In March 2013, the equity interest of Zhuhai Hoston held by the HK Company was further increased to 95%. As at the date of this announcement, Zhuhai Hoston owns 70% equity interest in Guangdong Hengjia which was acquired by it in November 2012.

Guangdong Hengjia

Guangdong Hengjia is incorporated in the PRC on 11 September 2007 with limited liability. Guangdong Hengjia is principally engaged in the business of production and sale of pre-stressed high-strength concrete ("**PHC**") piles, tubular cement products, high strength ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and permeable concrete products.

Business of the Target Group

Zhuhai Hoston and Guangdong Hengjia are building and construction materials manufacturers specialized in production of PC steel bars, PHC piles, ready-mixed concrete and various types of bricks, etc. in the PRC that are of high quality. The two main production bases of the Target Group are located in Zhuhai City and Yangjiang City which mainly supply building and construction materials for residential, commercial and infrastructure construction projects in the region nearby. Under the current business model, Zhuhai Hoston undertakes the production of PC steel bars while Guangdong Hengjia is engaged in the manufacture and sale of PHC piles, concrete and bricks etc. Their products are widely recognized and certified by official authorities and international organizations. For instance, Zhuhai Hoston and Guangdong Hengjia have been certified by the International Organization for Standardization for its quality management and assurance. The PC steel bars have been certified as quality product by the China Quality Check Association# (中國質量檢驗協會), a professional body under the General Administration of Quality Supervision, Inspection and Quarantine of the PRC. Besides, Guangdong Hengjia has obtained the certificate as a qualified enterprise for the construction industry by local government. The Board expects the Target Group will benefit from the strong economic growth of the territory given the scale of its operation and high quality products.

Production Bases

Based on the information provided by the Vendor, the production base of Zhuhai Hoston is located in the Zhuhai City, which comprises nine blocks of one-storey to four-storey buildings used as offices building, warehouses, workshops, power distribution room and dormitory, with total gross floor area of approximately 11,058.68 sq. m. The base comprises various facilities and equipment for pre-stress processing of steel bars. There are five production lines with total production capacity of 80,000 tonnes per annum. The current utilization rate is 62.5%. As at 30 November 2013, there are 62 staff in total working at the base.

The production base of Guangdong Hengjia is located in Yangjiang City, which is responsible for the manufacturing of piles, concretes and bricks, and was staffed with a total of approximately 500 workers as at 30 November 2013. It comprises with four blocks of one-storey to four-storey buildings used as offices building, pipe pile workshop and two dormitories with a total gross floor area of approximately 12,295.93 sq. m.. Furthermore, there are ancillary structures comprising a workshop, warehouse, boiler room, guard room, power distribution room, a coal shed and other structures etc., with total gross floor area of approximately 19,349.11 sq. m.. The table below shows the relevant information of each production line by product:

Products	**Unit**	**Number of production lines**	**Maximum Capacity**
PHC piles	meters per annum	2	3,181,920
Ready-mixed concrete	cubic meters per annum	2	600,000
Autoclaved aerated concrete	cubic meters per annum	2	488,840
Autoclaved sand line bricks	bricks per annum	6	72,000,000
Water permeable bricks	sq. m. per annum	1	1,200,000

Source: Management of Guangdong Hengjia

Products

(i) *PC steel bars*

PC steel bars are mainly used as the reinforcing wires of PHC piles. PC steel bars were invented in Japan with characteristics of high strength, low relaxation, high resistance to corrosion, adequate ductility and high bendability. The manufacturing process first begins with cleaning and descaling to remove dirt and scale from the hot-rolled steel wire rod before feeding through the wire drawing dies. The cleaned and descaled wire is then coated with chemical components and pulled through a series of wire drawing dies to reduce its size. The wire is then drawn to the required diameter and to give its mechanical properties such as strength and hardness. It is finally stabilized by removing mechanical stress through thermal treatment process. Apart from making PHC piles, the PC steel bars generally have the following applications:

- Bridges & buildings;
- Railway sleepers;
- Pipes;
- Hollow core slabs; and
- Poles.

(ii) *PHC piles*

The PHC piles offer an economic, deep foundation system for structures with consistent and superior quality compared to other types of concrete piles. PHC piles are now widely used in civil and residential construction as foundation piles for marine structures, civil engineering works, bridges, harbors, buildings and government projects, etc. The PHC piles are manufactured in sizes ranging from 300mm to 600mm diameter with standard lengths varying from 5m to 15m.

(iii) *Ready-mixed concrete*

Ready-mixed concrete is a concrete that is specifically manufactured in a factory and then delivered to a work site. It is sometimes more preferable than on-site concrete mixing because of the reduced worksite activity and environmental concerns.

(iv) *Autoclaved aerated concrete*

Autoclaved aerated concrete is a lightweight and precast environmental building material that provides structure, insulation, and fire and mold-resistance. It is made with fine aggregates, cement, and an expansion agent that causes the fresh mixture to rise like bread dough. Its lightweight properties make it easy to cut and cost saving. It resists water, rot, mold, mildew, and insects. In addition, it is also effective at fire resistance and sound insulation.

(v) Bricks

Bricks have multiple applications and are designed with unique characteristics shown as follows:

- Autoclaved sand lime bricks

  Sand lime bricks are manufactured by mixing sand, fly ash and lime in appropriate proportion that is finally molded under pressure. Bricks made by mixing lime and fly ash are suitable for use in masonry just like common clay bricks with additional benefits including adequate strength, uniformity in shape, lightweight and environmentally friendly. Such bricks are a new type of building material that are highly promoted by the PRC government.

- Water permeable bricks

  Water permeable bricks are made of clay, water, industrial wastes and other eco-friendly materials with water permeability. They are widely used for pavements of sidewalks, parks, gardens, parking lots and residential areas. The use of water permeable brick pavements can minimize localized flooding by filtrating and treating raining water on site which eases the load on city sewers and stream channels and replenishes groundwater aquifers with clean water. Furthermore, it can allow air and water to reach tree roots easily and maintain a moderate temperature and humidity of the surrounding area.

- Grass paver bricks

  Grass paver bricks allow the growing of grass or other plant material in spaces which enable the natural beauty of grass and the strength of concrete to combine in a variety of applications.

Furthermore, Guangdong Hengjia is also capable of manufacturing other alternatives to bricks including hollow concrete blocks, curbstones and blocks specific for dock building, etc.

Suppliers

As advised by the management of Zhuhai Hoston, metal wire is the principal raw material for the production of PC steel bars. Therefore, Zhuhai Hoston has entered into letters of intent with three local enterprises to secure the supply of metal wire until 2016.

The major raw materials used in the manufacturing of the products of Guangdong Hengjia include PC steel bars, coal ash, river sand, limestone and concrete etc. To prevent shortage in supply of raw materials, Guangdong Hengjia procures its raw materials from a variety of different reliable sources that are easily accessible. In general, most of the materials can be obtained at a distance within 50 kilometers from the production base, and thus reduces the transportation cost of the raw materials.

Customers

The products of Zhuhai Hoston and Guangdong Hengjia are sold to pile manufacturers, building materials producers, contractors and property developers in the Guangdong province for construction of residential and commercial properties, government buildings and infrastructure projects. They are used extensively in different constructions located in Western Guangdong Province such as docks, roads, museums and buildings. Zhuhai Hoston and Guangdong Hengjia are well known in their respective regions and have long term relationships with their customers. Customers will often come to Zhuhai Hoston or Guangdong Hengjia for quotation when there are new regional construction projects. Nevertheless, the management plans to expand its marketing department and to take a more active role in client communication to expand its sales to other regions.

Management team

Set out below are the biographies of the management members of the Target Group:

Mr. Wang Zhining, being the Guarantor, is the legal representative and chairman of Zhuhai Hoston. Mr. Wang has been responsible for the daily management and operations of Zhuhai Hoston since late 1995 and has in depth understanding of the business operations of Zhuhai Hoston and all other related aspects.

Mr. Huang Tian, joined Zhuhai Hoston as the general manager since 2010, has extended experience in the construction materials industry.

Mr. Li Yang, holder of a master degree from the Monash University of Australia, has joined Zhuhai Hoston as the factory manager since 2007.

Ms. Huang Ruiyi, holder of a degree in accounting, has 15 years of work experience and has joined Zhuhai Hoston as the manager of the finance department since 2005.

Mr. Lin Zhenjun, aged 40, has over 10 years of supervisory experience. Mr. Lin has held the position as the chairman of Yangjiang City KangFu Medical Equipment Limited# (陽江市康福醫療器械有限公司) from 2001 to 2007 and has been the chairman of Guangdong Hengjia since 2007.

Mr. Xu Dun, aged 50, was graduated from the Open University of China# (中央廣播電視大學). Mr. Xu has held the position as the director of Guangdong Hengjia since 2011.

Mr. Lin Yepan, aged 40, was graduated from the Renmin University of China# (中國人民大學). Mr. Lin has held the position as the manager at Yangjiang Textile Group# (陽江紡織集團) from 1996 to 2001 and as the department manager at Yangjiang City Gongjiao Asset Management Corporation# (陽江市工交資產經營公司). Mr. Lin joined Guangdong Hengjia as the general management and since 2011 has been appointed as the director of Guangdong Hengjia.

Business Development Plans

The business development plan illustrated below is based on the information provided by the Target Group and has been reviewed and adopted by the Company as the Target Group's business development plan.

Zhuhai Hoston

Backed by its production lines and its own quality control center, Zhuhai Hoston has been positioning its products at the high-end market niche. Currently, approximately one-third of the PC steel bars consumed in the Guangdong province is supplied from other provinces. The management wishes to tap into such potential market and to extend business corporations with existing customers by continue its strategy on producing quality products.

To achieve the aforesaid target for continuous growth, the major challenge lying ahead is to increase sales volume by lowering the product price without compromising the products' quality. As such, the management plans to (i) add three production lines in 2014 to 2016 to increase production capacity and realize economics of scale; (ii) remain close communication and good relationships with its suppliers to better manage the timing of purchasing raw materials; and (iii) implement technical improvement to the electrical efficiency of the production lines, which account for a significant production cost. Under the current planning and upon the success of carrying out the above strategies, the management aims to double the sales of its PC steel bars by the end of 2016.

Guangdong Hengjia

At present, Guangdong Hengjia mainly sells its construction products to customers located in the Yangjiang City. Its marketing research reveals that the annual growth rate ranges from 15% to 37% in the demands of various construction products over the past three years (i.e. 2009, 2010, and 2011) at the Yangjiang City and its surrounding areas, which covers the Maoming City, the Zhanjiang City, the Xinxing County, and the Enping City (the "**Surrounding Areas**"). Based on the above and the optimistic view of the regional macro-economic situation, it is expected that the annual regional demand growth rate of 15% will persist in the coming years.

To cope with the growing demand, the management intends to (i) increase its production capacity when the current production rate reaches its limit; (ii) develop a bulk supplying platform, which aims to bundle up the sales of the various products; (iii) improve the role of the marketing department by establishing information sharing channels with other market participants, such as design firms, tendering companies, and project management companies, to closer monitor the market movements; (iv) better utilize the tax discount policies on aerated concretes and construction waste recycling products to reasonably lower the selling price of products and improve their competitiveness; and (v) work toward expanding its products portfolio into the recommended green product catalog under the governmental benefit policies. The management is confident that the above strategies can gain Guangdong Hengjia a larger market share in the Yangjiang City and can expand its sales of PHC piles and aerated concretes into the Surrounding Areas. With reference to the business track record of Guangdong Hengjia and the above future development plans, the average annual sales growth rate from 2013 to 2016 is expected to be around 34%.

Financial information of the Target Group

Set out below are the summaries of the unaudited financial information of each of the Target Group, Zhuhai Hoston Group, and Guangdong Hengjia prepared in accordance with the Hong Kong GAAP:

The Target Company was incorporated in May 2013 and then became a holding company of the HK Company through a share transfer transaction. Since the Target Company and the HK Company are under common control by the Vendor, the unaudited financial information set out in the table below represents the financial position and financial performance of the HK Company and Zhuhai Hoston Group since its acquisition by the HK Company in December 2012.

Target Group

	Year ended 31 December 2010 *HK$'000*	**Year ended 31 December 2011** *HK$'000*	**Year ended 31 December 2012** *HK$'000*	**Nine months ended 30 September 2013** *HK$'000*
Income Statement				
Revenue	–	–	–	404,590
Net profit/(loss) before taxation	(414)	85	131,400	44,819
Net profit/(loss) after taxation	(414)	85	131,400	33,608
Financial Position				
Property, plant and equipment	–	–	189,830	180,430
Land use rights	–	–	35,527	35,838
Investment	12,723	11,596	–	–
Goodwill	–	–	113,555	113,555
Other non-current assets	–	–	2,249	596
Inventories	–	–	85,579	35,094
Trade and note receivables	–	–	167,958	167,734
Other receivables	8,212	9,886	61,608	87,649
Cash and bank	15	15	5,311	10,767
Trade and note payables	–	–	119,870	138,754
Other payables	6,281	6,303	240,800	150,007
Short-term bank borrowings	–	–	66,263	78,769
Other current liabilities	–	–	9,582	4,811
Long-term bank borrowings	–	–	–	32,773
Other non-current liabilities	–	–	4,412	3,947
Total equity	14,669	15,194	220,690	222,602

Based on the information provided by the Target Company, the increase in net profit of the Target Group in 2012 as compared with that of 2011 and 2010 was mainly due to (i) gain of approximately HK$110 million from remeasuring previously held interest in the Zhuhai Hoston Group based on the fair value of the Zhuhai Hoston Group at the date of acquisition by the HK Company; (ii) gain of approximately HK$11.4 million from bargain purchase arising from the acquisition of Guangdong Hengjia; and (iii) share of profit from Zhuhai Hoston Group under the equity method with amounting to approximately HK$7.4 million. As the Target Company and the HK Company are investment holding companies, the performance of the Target Group for the nine months ended 30 September 2013 is mostly determined by the respective performance of Zhuhai Hoston and Guangdong Hengjia.

Zhuhai Hoston acquired 70% equity interest of Guangdong Hengjia in November 2012. As a result, the unaudited financial information set out in the table below for the years ended 31 December 2010 and 2011 represents the financial position and financial performance of Zhuhai Hoston on a standalone basis. For the year ended 31 December 2012, the financial performance includes only one month results of Guangdong Hengjia after it was acquired by Zhuhai Hoston. As at 31 December 2012 and 30 September 2013 and for the nine months ended 30 September 2013, the unaudited financial information of Zhuhai Hoston Group is prepared on a consolidation basis comprising both Zhuhai Hoston and Guangdong Hengjia.

Zhuhai Hoston Group

	Year ended 31 December 2010 *HK$'000*	**Year ended 31 December 2011** *HK$'000*	**Year ended 31 December 2012** *HK$'000*	**Nine months ended 30 September 2013** *HK$'000*
Income Statement				
Revenue	233,895	288,121	255,794	404,590
Net profit/(loss) before taxation	(2,052)	716	34,491	45,965
Net profit/(loss) after taxation	(1,562)	428	31,025	34,478
Financial Position				
Property, plant and equipment	29,739	28,624	193,189	183,710
Land use rights	5,344	5,341	32,997	33,268
Other non-current assets	1,363	2,010	2,554	596
Inventories	53,854	69,146	84,359	35,094
Trade and note receivables	16,051	20,663	167,958	167,734
Other receivables	38,437	49,824	41,398	87,649
Cash and bank	7,464	9,274	4,172	10,583
Trade and note payables	34,899	53,864	119,870	138,754
Other payables	32,401	21,277	199,918	92,726
Short-term bank borrowings	34,992	63,652	66,263	78,769
Other current liabilities	26	462	9,582	4,811
Long-term bank borrowings	–	–	–	32,773
Other non-current liabilities	–	–	4,614	4,125
Total equity	49,934	45,627	126,380	166,676

Based on the information provided by the Target Company, the increase in net profit of Zhuhai Hoston in 2012 as compared to 2011 and 2010 was mainly due to (i) the decrease in raw materials prices as reflected in the improvement of gross profit margin of Zhuhai Hoston of approximately 6.63% in 2012 as compared to approximately 3.88% in 2011 and approximately 4.10% in 2010; (ii) gain of approximately HK$21 million on bargain purchase arising from the acquisition of Guangdong Hengjia on November 2012; (iii) gain of approximately HK$4.2 million derived from the reversal of impairment loss of trade receivables and compensation from suppliers; and (iv) the inclusion of Guangdong Hengjia's result for a month ended 31 December 2012 amounting to approximately HK$5.9 million in the consolidated net profit before tax of Zhuhai Hoston Group. As the aforesaid gain from bargain purchase was an one-off item which only occurred in 2012, the profit margin for the nine months ended 30 September 2013 has decreased as compared to the year ended 31 December 2012.

The unaudited financial information of Guangdong Hengjia for the years ended 31 December 2010, 2011, 2012 and the nine months ended 30 September 2013 is set out as follows:

Guangdong Hengjia

	Year ended 31 December 2010 *HK$'000*	**Year ended 31 December 2011** *HK$'000*	**Year ended 31 December 2012** *HK$'000*	**Nine months ended 30 September 2013** *HK$'000*
Income Statement				
Revenue	104,047	138,192	247,599	226,990
Net profit/(loss) before taxation	(4,865)	(4,564)	24,343	33,289
Net profit/(loss) after taxation	(8,410)	(7,329)	18,192	24,933
Financial Position				
Property, plant and equipment	129,902	143,938	148,917	141,206
Land use rights	24,351	24,739	24,356	24,620
Other non-current assets	610	1,140	889	176
Inventories	12,905	30,109	31,598	22,966
Trade and note receivables	40,692	45,962	136,561	85,821
Other receivables	21,177	37,063	23,856	68,444
Cash and bank	950	2,822	830	3,248
Trade and note payables	12,018	47,987	88,953	128,026
Other payables	120,185	131,144	164,214	63,867
Short-term bank borrowings	25,894	45,528	24,851	9,139
Other current liabilities	5,799	7,731	7,925	4,208
Long-term bank borrowings	21,775	10,375	–	32,773
Other non-current liabilities	980	–	–	–
Total equity	43,936	43,008	81,064	108,468

Based on the information provided by the Target Company, the revenue and net profit of Guangdong Hengjia for the year ended 31 December 2012 and the nine months ended 30 September 2013 have recorded significant boost as compared to the year ended 31 December 2010 and 2011 due to (i) the new production line that came into use in 2012; (ii) the rise in prices of aerated bricks driven by stronger market demand; (iii) the increase in proportion of the aerated bricks to other products in Guangdong Hengjia's product mix; (iv) the changes and upgrades of the production lines to improve the production efficiency; and (v) the utilization of idle production capacity to lower the average fixed cost and to achieve economies of scale. The aforesaid business developments also contributed to the turnaround of the net loss of Guangdong Hengjia recorded for the year ended 31 December 2010 and 2011 to positive profit margin, which went from approximately 7.35% for the year ended 31 December 2012 to approximately 10.98% for the nine months ended 30 September 2013.

As extracted from the management accounts, the table below set out financial information regarding the transaction amounts and balances between Zhuhai Hoston and Guangdong Hengjia for the years ended 31 December 2010, 2011, 2012 and the nine months ended 30 September 2013:

Sales from Zhuhai Hoston to Guangdong Hengjia

	Year ended 2010	**Year ended 2011**	**Year ended 2012**	**Nine months ended 30 September 2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sales to Guangdong Hengjia	18,454	24,307	45,235	16,030
Amount due from/(to) Guangdong Hengjia	845	3,302	25,794	(1,020)

REASONS FOR THE ACQUISITION

The principal activity of the Group comprise the design, development, manufacture and sale of a wide range of (i) electronics and related components and parts (including principally quartz crystals, liquid crystal displays, printed circuit boards and watch movements); and (ii) consumer electronic products (including principally electronic calculators, telecommunication phones, electronic watches and clocks and digital products). The Group is also engaged in the trading of integrated circuits and computer components and accessories.

As indicated in the annual report of the Company for the year ended 30 September 2013 and the annual report of the Company for the year ended 30 September 2012, the Company suffered gross loss from its existing business for an extended period of time. With the global economic conditions remaining unstable, the Board expected the negative impacts to continue in place on the electronics manufacturing industries and had been planning a group restructuring to better allocate the Group's existing resources, including but not limited to the disposal of the Group's existing assets and the introduction of prospective business to the Group. At present, the Company intends to scale down certain loss-making electronics manufacturing businesses. However, as at the date of this announcement, there is no concrete plan as to how and when the scaling down of the electronics manufacturing businesses will be carried out. Should there be any significant development in this regard, the Company will make announcements in accordance with the Listing Rules as and when appropriate.

As part of the Group's restructuring plan, the Directors have been studying the potential of shifting its resources to another profitable industry and are confident that the construction materials manufacturing business in the PRC, which is fueled by the growth of the property market in the Guangdong province, has a promising prospect. According to the statistics released by the Guangdong Statistics Bureau, the real estate developers reaped a total of RMB160.78 billion from property sales in the first quarter of 2013, representing 74.4% more than that in the same period of 2012, after seeing an 86% surge in the first two months. The province's investment in property development grew by 16.9% year on year to RMB110.52 billion from January 2013 to March 2013. The figure accounted for investment in the development of residential properties, amounting to RMB79.38 billion and representing a growth of 17.3% year on year. Industry wise, the information from China Concrete & Cement Products Association# (中國混凝土與水泥製品協會) shows that there were only 20 manufacturers of PHC piles in the PRC in 1993. By the end of September 2012, it was roughly estimated that the number of enterprises engaged in the production of PHC piles has substantially increased to approximately 500. The size of production of the industry has increased from 200,000 to 300,000 meters in 1980s to 800,000 to 1,500,000 meters in late 1990s. The annual production volume has risen from 3 million meters in 1993 to 350 million meters in 2011.

The Target Group is a major construction materials manufacturer in the Guangdong province. Having considered (i) the increasing property market investment in Guangdong; (ii) the general growing trend of the construction material industry; and (iii) the discount of the consideration to the business valuation, which has taken in account of historical financial performance and its customers' relationships of the Target Group, the Directors are of the opinion that the Target Group has a promising prospect. The Acquisition provides an opportunity for the Group to turnaround its unfavorable financial performance and to generate diversified income and additional cash flow for its continuous development.

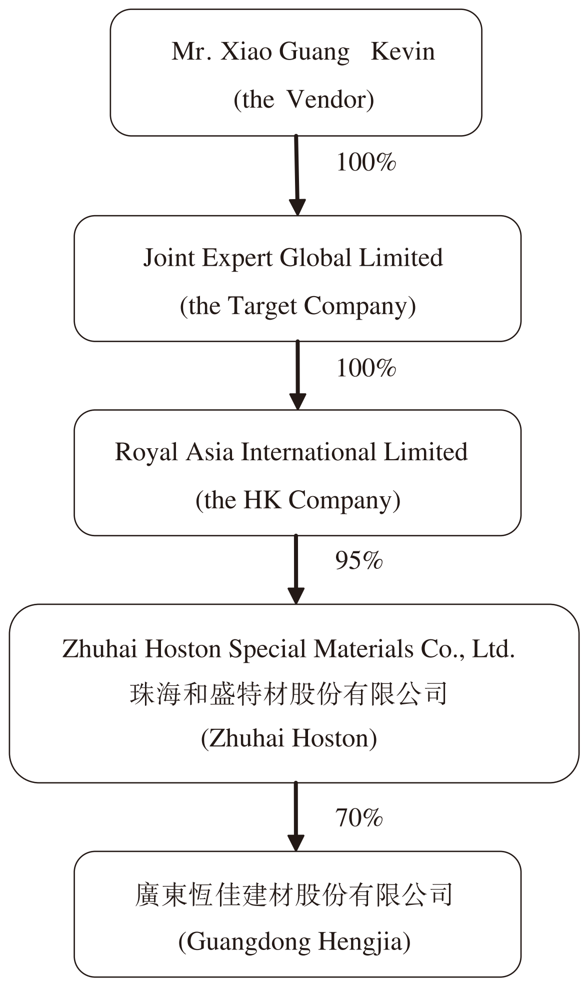
As the Acquisition will involve a diversification into a new business, the Company proposes to retain the current management team of the Target Group for their future management and the Vendor shall nominate two directors, tentatively Mr. Huang Tian and Mr. Lin Yepan, to join the Board pursuant to the Sale and Purchase Agreement. Details of Mr. Huang Tian and Mr. Lin Yepan have been disclosed in the "Management team" subsection of this announcement. The said appointment of Directors is subject to the Completion of the Acquisition, which may or may not materialize, and the final choice of candidates by the Vendor. The Company shall make relevant announcement in this regard as and when appropriate. The existing Directors, in particular Ms. Wong King Ching, Helen, the chairman of the Company and the executive Director, who has extensive experience in corporate management and knowledge in the manufacturing industry, and Ms. Wong King Man, the deputy chairman and the executive Director, who is experienced in procurement policies and material management, will be responsible for the supervision of the Target Group's business operation with the assistance of the current management team of the Target Group. To further strengthen the management team, the Company will also consider to identify suitable professionals in the relevant industry to join the Board after the Completion. However, as at the date of this announcement, no candidate has been identified yet. If there is any change in the composition of the Board, the Company will make announcement in accordance with the Listing Rules as and when appropriate.

In view of all the foregoing, the Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

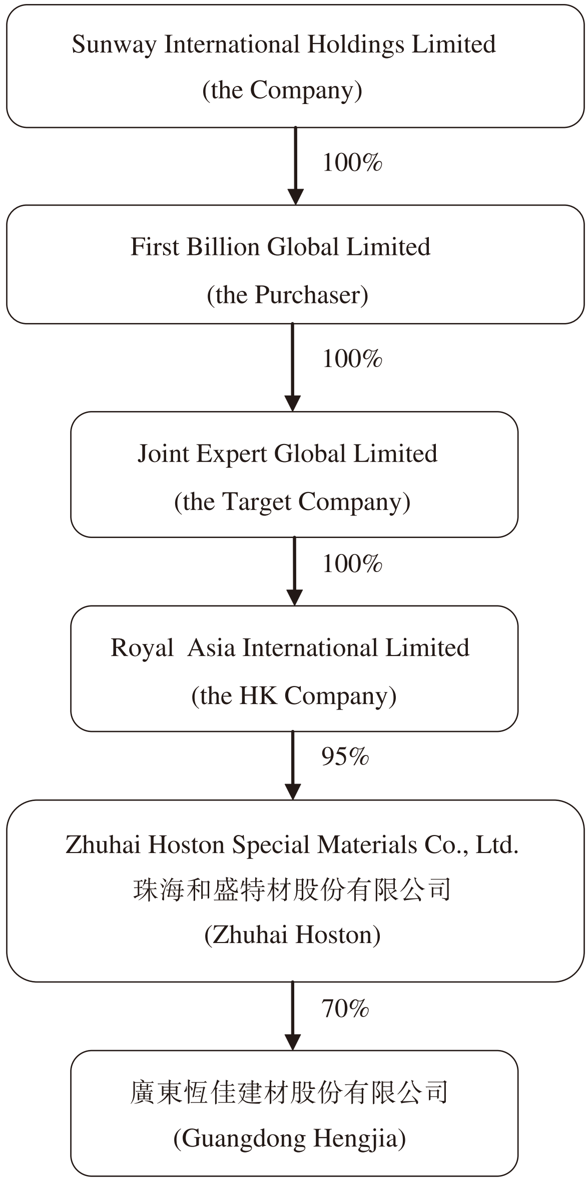
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

The following charts show the shareholding structure of Target Group (a) as at the date of this announcement; and (b) immediately after Completion:

(a) As at the date of this announcement:



(b) Immediately after completion of the Acquisition



CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set below is a summary of the shareholdings in the Company (i) as at the date of announcement; (ii) after allotment of the maximum number of Conversion shares upon full conversion of the Convertible Notes; and (iii) after allotment of the maximum number of Conversion Shares upon full conversion of the Convertible Notes subject to the Conversion Restrictions.

Shareholders	**As at the date of this announcement**		**After issue and allotment of the Conversion Shares upon full conversion of the Convertible Notes** *(Note 3)*		**After issue and allotment of the Conversion Shares upon full conversion of the Convertible Notes subject to the Conversion Restrictions**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Wong King Ching, Helen *(Note 1)*	200,000	0.02	200,000	0.01	200,000	0.01
Wong King Man and Wong Chun Ying *(Note 1 & 2)*	49,648,000	4.89	49,648,000	2.46	49,648,000	3.43
Farnell Profits Limited *(Note 1)*	280,000,000	27.56	280,000,000	13.89	280,000,000	19.32
Subtotal	*329,848,000*	*32.47*	*329,848,000*	*16.36*	*329,848,000*	*22.76*
Convertible Notes Holder(s)	–	–	1,000,000,000	49.60	433,333,333	29.90
Public Shareholders	686,153,301	67.53	686,153,301	34.04	686,153,301	47.34
Total	**1,016,001,301**	**100**	**2,016,001,301**	**100**	**1,449,334,634**	**100**

Notes:

1. These shares are beneficially owned by Farnell Profits Limited, the entire issued share capital of which was previously held by the late Mr. Wong Choi Fung ("**Mr. Wong**") and currently forms part of the estate of the late Mr. Wong. Ms. Wong King Ching, Helen and Ms. Wong King Man, Directors of the Company, are beneficiaries of the said estate, whose interest in the shares of Farnell Profits Limited is not yet ascertained until completion of the administration of estate of the late Mr. Wong.

2. These shares are jointly held by Ms. Wong King Man and Ms. Wong Chun Ying.

3. Such scenario is for illustrative purpose only and will never occur. The conversion of the Convertible Notes is subject to the conversion restrictions of the Convertible Notes.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other matters, further details of the Acquisition, the accountants' report on the Target Group, the valuation report on the Target Group and a notice to convene the SGM will be despatched to the Shareholders in compliance with the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 24 February 2014.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:20 a.m. on 2 October 2013 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 30 January 2014 following the publication of this announcement.

DEFINITIONS

"Acquisition"	the proposed acquisition of the Sale Shares and the Shareholder's Loan by the Company pursuant to the Sale and Purchase Agreement
"associate(s)"	shall have the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday, Sunday and public holidays) on which banks are generally open for business in Hong Kong
"Company"	Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Acquisition pursuant to the Sale and Purchase Agreement
"Completion Date"	the third Business Day subsequent to the satisfaction of all conditions of the Sale and Purchase Agreement or the waiver thereof or such other date as agreed by the parties thereto in writing

"Consideration"	the consideration payable for the Sale Shares and the Shareholder's Loan under the Sale and Purchase Agreement
"Conversion Period"	the period commencing from the date of issue of the Convertible Notes up to 4:00 p.m. (Hong Kong time) on the Maturity Date
"Conversion Price"	HK$0.30 per Conversion Share
"Conversion Shares"	Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Notes or otherwise pursuant to the terms and conditions of the Convertible Notes
"Convertible Notes"	convertible notes in the principal amount of HK$300 million to be issued by the Company to the Vendor (or his nominees(s)) as part of the Consideration
"Director(s)"	the director(s) of the Company
"GAAP"	The Generally Accepted Accounting Principles
"Group"	The Company and its subsidiaries
"Guangdong Hengjia"	廣東恆佳建材股份有限公司, a company incorporated in the PRC with limited liability
"Guarantor"	Mr. Wang Zhining, being the guarantor of the Vendor
"HK Company"	Royal Asia International Limited, a company incorporated in Hong Kong with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	3 May 2014 or such other date as the parties to the Sale and Purchase Agreement may agree in writing
"Maturity Date"	28 April 2017, being the maturity date of the Convertible Notes
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan

"Profit Guarantee"	the irrevocable profit guarantee provided by the Vendor and the Guarantor to the Purchaser that the consolidated after-tax net profit of the Target Group being not less than RMB30 million for each of the three financial years ended 31 December 2016
"Promissory Note"	the interest-free promissory note in the principal amount of HK$100,000,000 due on 31 December 2016 to be executed by the Company in favour of the Vendor as part of the Consideration
"Purchaser"	First Billion Global Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of PRC
"Sale and Purchase Agreement"	the conditional sale and purchase agreement in relation to the Acquisition dated 3 October 2013 (as supplemented by a supplemental agreement dated 30 January 2014) entered into between the Purchaser, the Vendor and the Guarantor
"Sale Share(s)"	one (1) ordinary share of US$1.00 each fully paid in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement
"SGM"	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholder's Loan"	the shareholder's loan due from the HK Company to the Vendor at Completion, along with all relevant right and title and interest
"sq. m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Code on Takeovers and Mergers of the Securities and Futures Commission of Hong Kong

"Target Company"	Joint Expert Global Limited, a company incorporated in the British Virgin Islands with limited liability, with one (1) ordinary share being issued and fully paid up as at the date of the Sale and Purchase Agreement
"Target Group"	Target Company and its subsidiaries
"Vendor"	Mr. Xiao Guang Kevin, the legal and beneficial owner of the entire issued share capital of the Target Company
"Zhuhai Hoston"	Zhuhai Hoston Special Materials Co., Ltd. (珠海和盛特材股份有限公司), a sino-foreign joint venture with limited liability incorporated in the PRC
"Zhuhai Hoston Group"	A consolidated group formed in December 2012 comprising Zhuhai Hoston and Guangdong Hengjia
"%"	per cent

The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words

By order of the Board
Sunway International Holdings Limited
Wong King Ching, Helen
Chairman

Hong Kong, 30 January 2014

As at the date of this announcement, the Board comprises three Executive Directors, namely Ms. Wong King Ching, Helen, Ms. Wong King Man and Mr. Leung Chi Fai and three Independent Non-executive Directors, namely Ms. Fong Yin Cheung, Mr. Hung Yat Ming and Mr. So Day Wing and two Non-executive Directors, namely Ms. Wong Chun Ying and Mr. Wong Kim Seong.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.