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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)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

#### **SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that, on 13 March 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for and the Company has agreed to issue and allot 124,800,000 Shares in cash at the Share Subscription Price of HK\$0.136 per Subscription Share.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

The Subscription Shares represent (i) approximately 19.996% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

The Share Subscription Price of HK\$0.136 per Subscription Share represents (i) a discount of approximately 17.07% over the closing price of HK\$0.164 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 17.87% over the average of the closing prices of HK\$0.1656 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the Last Trading Day; and (iii) a discount of approximately 19.53% over the average of the closing prices of HK\$0.169 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the Last Trading Day.

The gross proceeds from the Share Subscription will be approximately HK\$16,972,800. The net proceeds from the Share Subscription, after deducting related expenses, will be approximately HK\$16,722,800, representing a net price of approximately HK\$0.134 per Subscription Share, which will be used for general working capital purposes.

**Completion of the Share Subscription is subject to, among other things, fulfilment of the conditions precedent in the Subscription Agreement. As such, the Share Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SHARE SUBSCRIPTION**

On 13 March 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for and the Company has agreed to issue and allot 124,800,000 Shares in cash at the Share Subscription Price of HK\$0.136 per Subscription Share.

## **THE SUBSCRIPTION AGREEMENT**

Date: 13 March 2019

Parties: (i) the Company as the issuer; and  
(ii) the Subscriber.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings, with its entire issued share capital being held by Mr. LAM, CHUNG KAN (林松根). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, each of the Subscriber and Mr. LAM, CHUNG KAN is an Independent Third Party.

## **THE SUBSCRIPTION SHARES**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue and allot and the Subscriber has conditionally agreed to subscribe in cash for a total of 124,800,000 Subscription Shares at the Share Subscription Price of HK\$0.136 per Subscription Share. The Subscription Shares represent (i) approximately 19.996% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares. The aggregate nominal value of the Subscription Shares are HK\$12,480,000.

The Subscription Shares, when issued, allotted and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of issue and allotment of the Subscription Shares.

The Subscriber will become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Subscription.

### **Share Subscription Price**

The Share Subscription Price of HK\$0.136 per Subscription Share represents:

- (i) a discount of approximately 17.07% over the closing price of HK\$0.164 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.87% over the average of the closing prices of HK\$0.1656 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the Last Trading Day; and
- (iii) a discount of approximately 19.53% over the average of the closing prices of HK\$0.169 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the Last Trading Day.

The Share Subscription Price was arrived at after an arm's length negotiation between the Company and the Subscriber with reference to the recent trading performance of the Shares.

### **General Mandate**

The Subscription Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Subscription Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 124,827,264 new Shares. Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate.

### **Conditions of the Share Subscription**

Completion of the Share Subscription is subject to and conditional upon the following:

- (a) no breach by the Subscriber of any of the representations, warranties and undertakings set forth in the Subscription Agreement;
- (b) the Listing Committee having granted the listing of, and permission to deal in, the Subscription Shares, and such listing and permission not subsequently revoked prior to the delivery of definitive share certificates representing the Subscription Shares; and
- (c) all other necessary consents or approvals in relation to the Share Subscription having been obtained by the parties.

None of the above conditions precedent can be waived. In the event that any of the conditions precedent for the Share Subscription is not fulfilled on or before 3 April 2019 (or such other date as may be mutually agreed between the parties in writing), the Share Subscription and the Subscription Agreement shall terminate and no party shall be liable to the other party save for antecedent breaches.

### **Completion of Share Subscription**

Share Subscription Completion is expected to take place on the fifth Business Day after all the conditions precedent of the Share Subscription having been fulfilled (or such other date as the parties thereto may agree in writing). The Subscriber shall pay the total Share Subscription Price of the Subscription Shares at Share Subscription Completion.

### **APPLICATION FOR LISTING**

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

### **REASONS FOR THE SHARE SUBSCRIPTION AND USE OF PROCEEDS**

The gross proceeds from the Share Subscription will be approximately HK\$16,972,800. The net proceeds from the Share Subscription, after deducting related expenses, will be approximately HK\$16,722,800, representing a net price of approximately HK\$0.134 per Subscription Share.

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

The net proceeds from the Subscription are intended to be used by the Company as to HK\$16,722,800 for general working capital purposes.

As at 28 February 2019, the unaudited cash and cash equivalents of the Group were approximately HK\$19,000,000. Despite the presence of existing cash, the Company considers that it is prudent and important to retain additional working capital and further strengthen the financial position of the Group, so as to accommodate the operating cash expenses of the Company and to guard against any unexpected increase in costs or able to respond to any unforeseen need in capital. Therefore, the Directors consider that the Subscription represents a good opportunity for the Group to further strengthen its financial position to accommodate the operating need of the Group in the future.

The Board has reviewed other alternative fund raising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence process and negotiations with banks as well as the prevailing financial market condition, which may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of listing documents with other application and administrative

procedures which may require relatively longer time and additional administrative cost to complete as compared to the equity financing by way of issuing of new Shares under the General Mandate.

The Directors consider that the Subscription Agreement is entered into on an arm's length basis and on normal commercial terms between the Company and the Subscriber and that the terms of the Subscription Agreement (including the Share Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the changes of the shareholding structure of the Company as a result of the Share Subscription (assuming that there is no other change in the issued share capital of the Company) are set out as follows:

Shareholders	As at the date of this announcement		Immediately upon completion of the Share Subscription	
	<i>Number of issued Shares</i>	<i>Approximate percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
Business Century Investments Limited <i>(Note 1)</i>	130,892,833	20.97	130,892,833	17.47
Everun Oil Co., Limited <i>(Note 2)</i>	86,581,000	13.87	86,581,000	11.56
Mr. Huang Weidong <i>(Note 3)</i>	7,204,000	1.15	7,204,000	0.96
Mr. Li Chongyang <i>(Note 3)</i>	4,610,000	0.74	4,610,000	0.62
Mr. Leung Chi Fai <i>(Note 3)</i>	424,000	0.07	424,000	0.06
Mr. Cong Yongjian <i>(Note 3)</i>	75,000	0.01	75,000	0.01
The Subscriber	–	–	124,800,000	16.66
Other public Shareholders	394,349,491	63.18	394,349,491	52.65
<b>Total</b>	<b>624,136,324</b>	<b>100</b>	<b>748,936,324</b>	<b>100</b>

*Notes:*

1. Business Century Investments Limited is a substantial shareholder of the Company which is wholly owned by Ms. Xie Guilin, who is the sister-in-law of Mr. Huang Weidong, a non-executive Director and the chairman of the Board.
2. Everun Oil Co., Limited is a substantial shareholder of the Company which is wholly-owned by Mr. Chen Jingan.
3. Mr. Huang Weidong, Mr. Li Chongyang, Mr. Leung Chi Fai and Mr. Cong Yongjian are Directors.
4. Certain percentage figures included in the above table have been subject to rounding adjustments.

## **EQUITY FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS**

The Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

**Completion of the Share Subscription is subject to, among other things, fulfilment of the conditions precedent in the Subscription Agreement. As such, the Share Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company held on 1 June 2018
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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
“Directors”	the directors of the Company

“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Date”	13 March 2019, being the last trading date before the signing of the Subscription Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Subscription”	the subscription of 124,800,000 Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement
“Share Subscription Completion”	the completion of the Share Subscription pursuant to the terms of the Subscription Agreement
“Share Subscription Price”	HK\$0.136 per Subscription Share
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	SUNTEEN CAPITAL HOLDINGS LIMITED (新天資本控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“Subscription Agreement”	the conditional subscription agreement dated 13 March 2019 entered into between the Company and the Subscriber in relation to the Share Subscription
“Subscription Share(s)”	124,800,000 new Shares to be issued and allotted by the Company to the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Sunway International Holdings Limited**  
**Li Chongyang**  
*Executive Director*

Hong Kong, 13 March 2019

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Lam Kai Yeung and Mr. Leung Chi Fai (executive duties suspended), one non-executive Director, namely, Mr. Huang Weidong (Chairman), and three independent non-executive Directors, namely, Mr. Cong Yongjian, Dr. Lam Huen Sum and Mr. Ng Yuk Lam.*

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

*\* For identification purpose only*