

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, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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This circular appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for 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)

**I. PROPOSED CAPITAL REORGANISATION
II. PROPOSED OPEN OFFER ON THE BASIS OF
THREE OPEN OFFER SHARES FOR
EVERY TWO SHARES HELD ON THE RECORD DATE
III. PROPOSED CHANGE OF BOARD LOT SIZE
IV. PROPOSED RE-ELECTION OF DIRECTORS
AND
V. NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company

 **KINGSTON CORPORATE FINANCE**

Underwriter to the Open Offer

 **KINGSTON SECURITIES**

Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders



INCUBO Corporate Finance Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 12 to 38 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 39 to 40 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 41 to 60 of this circular.

A notice convening the SGM to be held at 10:00 a.m. on Monday, 18 April 2016 at 1804B, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong or in the event that a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day, at the same time and place on the second Business Day after 18 April 2016 or any adjournment thereof, is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting thereof should you so wish.

If the Underwriter terminates the Underwriting Agreement in accordance with the provisions as set out in the section headed "Termination of the Underwriting Agreement" in this circular, or the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" in this circular are not fulfilled, the Open Offer will not proceed. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 20 April 2016 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcements”	the announcements of the Company dated 26 February 2016, 4 March 2016 and 14 March 2016 in relation to, among other things, the Capital Reorganisation and/or the Open Offer
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda
“Board”	the board of Directors
“Business Century”	Business Century Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally owned by Ms. Xie, which is interested in 278,955,333 Shares, representing approximately 15.98% of the issued Shares and a Substantial Shareholder of the Company
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-Laws”	the existing bye-laws of the Company and “Bye-Law” shall be construed accordingly
“Capital Reduction”	the proposed reduction of the nominal value of the issued share capital of the Company from HK\$0.10 per Existing Share to HK\$0.01 per New Share by the cancellation of HK\$0.09 from the paid-up capital on each Existing Share

DEFINITIONS

“Capital Reorganisation”	the proposed capital reorganisation of the Company involving the Capital Reduction and Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Sunway International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	existing ordinary shares of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“First Supplemental Underwriting Agreement”	the first supplemental underwriting agreement dated 4 March 2016 entered into between the Company and the Underwriter supplementing and amending certain provisions of the underwriting agreement dated 26 February 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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

“INCU” or “Independent Financial Adviser”	INCU Corporate Finance Limited, a corporation licensed to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer
“Independent Board Committee”	the independent committee of the Board comprising Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli, being all the independent non-executive Directors, constituted to advise the Independent Shareholders on the Open Offer
“Independent Shareholders”	Shareholder(s) other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected with or acting in concert (as defined in the Takeovers Code) with any directors, chief executive or substantial shareholder(s) of the Company or any its subsidiaries or their respective associates
“Last Trading Day”	26 February 2016, being the date of entering into of the Underwriting Agreement
“Latest Practicable Date”	18 March 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Monday, 16 May 2016 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. on Friday, 20 May 2016, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange
“Ms. Xie”	Ms. Xie Guilin, who is the ultimate beneficial owner of 278,955,333 Shares, representing approximately 15.98% of the issued Shares through her direct shareholding interest in Business Century
“Ms. Xie’s Undertakings”	the irrevocable undertakings dated 26 February 2016 given by Ms. Xie to the Company and the Underwriter to subscribe for or procure subscriptions of the Offer Shares under her entitlement pursuant to the Open Offer as superseded by the New Undertakings
“New Share(s)”	new ordinary share(s) of HK\$0.01 (each) in the share capital of the Company immediately following the Capital Reorganisation becoming effective
“New Undertakings”	the deed of irrevocable undertaking dated 4 March 2016 given by Ms. Xie and Business Century to the Company and the Underwriter pursuant to which, among other things, Business Century undertakes to subscribe for or procure subscriptions of the Offer Shares under its entitlement pursuant to the Open Offer as superseded by the Second New Undertakings
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on enquiry to be made or legal advice to be obtained, consider it necessary or expedient not to offer the Open Offer to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Offer Shares”	2,618,641,947 New Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of three (3) Offer Shares for every two (2) New Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Possible Acquisition”	the possible acquisition of the car businesses (including car rental, car finance and investment, car sale, car repair and car insurance) in PRC as announced by the Company on 24 February 2016
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Friday, 29 April 2016 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Non-Qualifying Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Thursday, 28 April 2016, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Re-election of Directors”	the proposed re-election of Mr. Huang Weidong, Mr. Li Chongyang and Ms. Qi Jiao as executive Directors and Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli as independent non-executive Directors
“Registrar”	Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“RMB”	Renminbi, the lawful currency of PRC

DEFINITIONS

“Second New Undertakings”	the supplemental deed of irrevocable undertaking dated 14 March 2016 given by Ms. Xie and Business Century to the Company and the Underwriter pursuant to which, among other things, Business Century undertakes to subscribe for or procure subscription of the Offer Shares under its entitlement pursuant to the Open Offer
“Second Supplemental Underwriting Agreement”	the second supplemental underwriting agreement dated 14 March 2016 entered into between the Company and the Underwriter supplementing and amending certain provisions of the Underwriting Agreement and the First Supplemental Underwriting Agreement in relation to the underwriting arrangement in respect of the Open 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 convened and held at 10:00 a.m. on Monday, 18 April 2016 at 1804B, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong or in the event that a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day, at the same time and place on the second Business Day after 18 April 2016 or any adjournment thereof, to consider and, if thought fit, to approve, among other things, the Capital Reorganisation, the Open Offer and the Re-election of Directors
“Share(s)”	the Existing Share(s) and/or the New Share(s), as the case may be
“Share Sub-division”	the sub-division of each authorised but unissued Existing Share of par value of HK\$0.10 into ten (10) New Shares of HK\$ 0.01 each
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.08 per Offer Share

DEFINITIONS

“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activity under the SFO, being the underwriter to the Open Offer pursuant to the Underwriting Agreement
“Underwriting Agreement”	the underwriting agreement dated 26 February 2016 entered into between the Company and the Underwriter as amended and supplemented by the First Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	all the Offer Shares, other than those to be taken up by Business Century under Second New Undertakings, being 2,200,208,949 Offer Shares underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	those (if any) of the Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Open Offer is set below:

Publication of notice of Capital Reduction in Bermuda	on or before Friday, 1 April 2016
Latest time for lodging transfers of shares in order to qualify for attending and voting at SGM	4:30 p.m. on Tuesday, 12 April 2016
Register of members closes (both days inclusive)	Wednesday, 13 April 2016 to Monday, 18 April 2016
Latest time for lodging forms of proxy for the purpose of the SGM (not less than 48 hours before the SGM)	10:00 a.m. on Saturday, 16 April 2016
Record date for the SGM	Monday, 18 April 2016
Time and date of the SGM	10:00 a.m. on Monday, 18 April 2016
Announcement of results of the SGM	Monday, 18 April 2016
Effective date of the Capital Reorganisation	Tuesday, 19 April 2016
First day of free exchange of share certificates for the Existing Shares for new certificates for the New Shares	Tuesday, 19 April 2016
Last day of dealings in Shares on cum-entitlements basis of the Open Offer	Tuesday, 19 April 2016
First day of dealings in Shares on ex-entitlements basis of the Open Offer	Wednesday, 20 April 2016
Latest time for lodging transfers of Shares in order to qualify for the Open Offer.	4:30 p.m. on Thursday, 21 April 2016
Register of members closes (both days inclusive)	Friday, 22 April 2016 to Thursday, 28 April 2016
Record Date for the Open Offer	Thursday, 28 April 2016
Despatch of Prospectus Documents	Friday, 29 April 2016
Latest time for acceptance of, and payment for, the Offer Shares	4:00 p.m. on Monday, 16 May 2016

EXPECTED TIMETABLE

Latest Time to terminate the Underwriting Agreement and for the Open Offer to become unconditional	4:00 p.m. on Friday, 20 May 2016
Last day for free exchange of share certificates for the Existing Shares for new certificates for the New Shares	4:30 p.m. on Tuesday 24 May 2016
Announcement of results of the Open Offer	Thursday, 26 May 2016
Certificates for fully paid Offer Shares to be despatched on or before	Friday, 27 May 2016
Despatch of refund cheques if the Open Offer is terminated	Friday, 27 May 2016
Commencement of dealings in fully-paid Offer Shares	9:00 a.m. on Monday, 30 May 2016
Effective date of the new board lot size (20,000 Shares)	Monday, 30 May 2016
Designated brokers starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Monday, 30 May 2016
Designated brokers ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares.	4:00 p.m. on Monday, 20 June 2016

All times and dates stated in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning signal

is or remains in force in Hong Kong between 9.00 a.m. and 5.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no “black” rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 5:00 p.m. on that day.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the above “EXPECTED TIMETABLE” may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcements or this circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any specified event as contained in the Underwriting Agreement comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement, save in respect of any right or liability accrued before such termination, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.



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. Huang Weidong (*Chairman*)

Mr. Leung Chi Fai

Mr. Li Chongyang

Ms. Qi Jiao

Registered office:

Clarendon House,

2 Church Street,

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Cong Yongjian

Ms. Deng Chunmei

Mr. Lam Kai Yeung

Mr. Liu Chenli

Principal place of business in Hong Kong

Unit 1902

Cheung Kong Center

2 Queen's Road Central

Central, Hong Kong

23 March 2016

To the Shareholders

Dear Sir or Madam,

**I. PROPOSED CAPITAL REORGANISATION
II. PROPOSED OPEN OFFER ON THE BASIS OF
THREE OPEN OFFER SHARES FOR
EVERY TWO SHARES HELD ON THE RECORD DATE
III. PROPOSED CHANGE OF BOARD LOT SIZE
IV. PROPOSED RE-ELECTION OF DIRECTORS
AND
V. NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the Announcements in relation to, among other things, the Capital Reorganisation and/or the Open Offer.

Conditional upon the Capital Reorganisation becoming effective, the Company proposes to raise approximately HK\$209.49 million, before expenses, by issuing 2,618,641,947 Offer Shares to the Qualifying Shareholders by way of the Open Offer at a

* *for identification purposes only*

LETTER FROM THE BOARD

Subscription Price of HK\$0.08 per Offer Share on the basis of three (3) Offer Shares for every two (2) New Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for Offer Shares in excess of their respective entitlements under the Open Offer and any Offer Shares not taken up by the Qualifying Shareholders under the Open Offer will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Non-Qualifying Shareholders.

Pursuant to the Second New Undertakings, Business Century has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure subscriptions of the Offer Shares under its entitlement pursuant to the Open Offer.

Save for those Offer Shares which Business Century has irrevocably undertaken to take up, the Open Offer is fully underwritten by the Underwriter.

The Company has established the Independent Board Committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Underwriting Agreement and the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. INCU has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide the Shareholders, among other things, (i) further details about the proposed Capital Reorganisation, Open Offer, change of board lot size of the Shares and Re-election of Directors; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer; (iii) the letter of advice from INCU to the Independent Board Committee and the Independent Shareholders on the Open Offer; and (iv) the notice convening the SGM.

I. PROPOSED CAPITAL REORGANISATION

Capital Reorganisation

Subsequent to the publication of the announcements of the Company dated 26 February 2016 and 4 March 2016, the Company proposed to put forward the following Capital Reorganisation proposal to the Shareholders for consideration:

- (a) the reduction of the nominal value of each Existing Share in issue from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 from the paid-up capital on each Existing Share;
- (b) immediately following the Capital Reduction, each of the authorised but unissued Existing Shares of HK\$0.10 each will be sub-divided into ten (10) New Shares of HK\$0.01 each; and

LETTER FROM THE BOARD

- (c) the credit of HK\$157,118,516.91 arising from the Capital Reduction on the basis of 1,745,761,299 Existing Shares in issue as at the Latest Practicable Date (assuming there is no repurchase or issuance of Existing Shares prior to the Capital Reorganisation becoming effective) will be transferred to the contributed surplus account of the Company and be applied for such purposes as permitted by the laws of Bermuda and the Bye-laws of the Company including but not limited to setting off against the accumulated losses of the Company.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000.00 divided into 10,000,000,000 Existing Shares and the issued share capital of the Company was HK\$174,576,129.90 divided into 1,745,761,299 Existing Shares. Upon the Capital Reorganisation becoming effective, the issued share capital of the Company will be HK\$17,457,612.99 divided into 1,745,761,299 New Shares.

Based on 1,745,761,299 Existing Shares in issue as at the Latest Practicable Date and assuming there is no repurchase or issuance of Shares prior to the Capital Reorganisation becoming effective, the Capital Reduction will cause the paid-up capital of the Company to be reduced by HK\$157,118,516.91. This amount will be transferred to the contributed surplus account of the Company and be applied for such purposes as permitted by the laws of Bermuda and the Bye-laws of the Company including but not limited to setting off against the accumulated losses of the Company.

The effect of the Capital Reorganisation is summarised as follows:

	As at the Latest Practicable Date and immediately prior to the Capital Reorganisation becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.10 each	HK\$0.01 each
Amount of authorised share capital	HK\$1,000,000,000.00	HK\$1,000,000,000.00
Number of authorised Shares	10,000,000,000	100,000,000,000
Amount of issued share capital	HK\$174,576,129.90	HK\$17,457,612.99
Number of issued Shares	1,745,761,299	1,745,761,299

Note: the issued share capital immediately after the Capital Reorganisation becoming effective is presented on the assumption that no further Shares would be issued or repurchased between the Latest Practicable Date and the date of the SGM.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following:

- (a) the passing of the necessary special resolution(s) by the Shareholders to approve the Capital Reorganisation at the SGM;
- (b) compliance with the relevant procedural requirements under the Bermuda Companies Act to effect the Capital Reduction, including the publication of a notice of the Capital Reduction in an appointed newspaper in Bermuda in accordance with section 46(2) of the Bermuda Companies Act; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

Reasons for and impacts of the Capital Reorganisation

Subsequent to the publication of the announcements of the Company dated 26 February 2016 and 4 March 2016, the Company proposed to put forward the Capital Reorganisation proposal to the Shareholders for consideration. Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the Group and the Board believes that on the date the Capital Reorganisation is to be effected, there will be no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

The Existing Shares are currently traded in board lots of 2,000 Existing Shares. Assuming the Capital Reorganisation becomes effective, the board lots for the trading of the New Shares will be 2,000 New Shares until the effective date of the new board lot size of 20,000 New Shares, i.e. Monday, 30 May 2016. The New Shares, when issued, will rank *pari passu* in all respects with each other in accordance with the Bye-laws.

Application for listing of the New Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares in issue and to be issued arising from the Capital Reorganisation.

LETTER FROM THE BOARD

Subject to the granting of the approval for the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Free exchange of New Share certificates and trading arrangement

Subject to the Capital Reorganisation becoming effective, Shareholders may, during the period from Tuesday, 19 April 2016 to Tuesday, 24 May 2016 (both days inclusive), exchange certificates for the Existing Shares (in purple colour) with the Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for exchange, at the expense of the Company, for certificates for the New Shares (in yellow colour). Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or for each new certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher.

Nevertheless, certificates for the Existing Shares will continue to be valid and may be exchanged for certificates for the New Shares at any time at the expense of the Shareholders.

II. PROPOSED OPEN OFFER

Issue statistics

Basis of the entitlement:	Three (3) Offer Shares for every two (2) New Shares held on the Record Date
Subscription Price:	HK\$0.08 per Offer Share
Number of Shares in issue as at the Latest Practicable Date:	1,745,761,299 Existing Shares
Number of Offer Shares:	2,618,641,947 Offer Shares

LETTER FROM THE BOARD

Number of Offer Shares to be taken up or procured to be taken up by Business Century pursuant to the Second New Undertakings:	Business Century has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure the subscription for 418,432,998 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer. Details of the Second New Undertakings are set out under the paragraph headed "The Second New Undertakings" in this circular.
Number of Underwritten Shares:	2,200,208,949 Offer Shares. The Open Offer is fully underwritten.
Number of enlarged Shares in issue upon completion of the Open Offer:	4,364,403,246 New Shares

References are made to the announcements of the Company dated 23 June 2015, 26 October 2015 and 5 February 2016, respectively in respect of the convertible notes previously issued by the Company and the monthly returns of the Company since the beginning of January 2016.

The Group has, by a general indorsed writ of summons dated 23 June 2015 and statement of claim dated 18 August 2015, initiated legal proceedings against certain parties in respect of, among other things, the convertible notes. On 3 February 2016, a purported owner of certain convertible notes initiated legal proceedings against the Company in respect of, among other things, the convertible notes. As at the Latest Practicable Date, the aforementioned legal proceedings are still on-going.

According to the monthly returns of the Company since the beginning of January 2016, the amount of convertible notes as at the beginning of each of the months since January 2016 is HK\$130,000,000.00 entitling the noteholders thereof to convert into 433,333,333 Shares. Based on the opinions obtained from the legal adviser of the Company, in view of the on-going legal proceedings mentioned above and, according to the monthly returns of the Company since the beginning of January 2016, the Company maintains the position that all remaining convertible notes of the Company are void and are not capable of converting into Shares. Accordingly, as at the Latest Practicable Date, the Company has no outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into, Shares.

As mentioned in the aforesaid announcements, the Company will keep the Shareholders and potential investors informed of any further material developments in connection with the abovementioned legal proceedings by way of further announcement as and when appropriate.

LETTER FROM THE BOARD

The Offer Shares

The 2,618,641,947 Offer Shares proposed to be allotted and issued, represent (i) approximately 150% of the Company's issued share capital as at the Latest Practicable Date; and (ii) approximately 60.00% of the Company's issued share capital as enlarged by the allotment and issue of the 2,618,641,947 Offer Shares immediately after completion of the Open Offer. The aggregate nominal value of the Offer Shares will be HK\$26,186,419.47.

Basis of entitlement

The basis of the entitlement shall be three (3) Offer Shares for every two (2) New Shares held on the Record Date, being 2,618,641,947 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Overseas Letter together with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Open Offer, the Shareholders must (a) at the close of business on the Record Date be registered on the register of members of the Company; and (b) not being the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 21 April 2016.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.08 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (1) a discount of approximately 55.56% to the closing price of HK\$0.180 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 33.33% to the theoretical ex-entitlement price of approximately HK\$0.120 based on the closing price of HK\$0.180 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (3) a discount of approximately 60.20% to the average closing price of approximately HK\$0.201 per Existing Share for the last five consecutive trading days up to and including the Last Trading Day;
- (4) a discount of approximately 62.79% to the average closing price of approximately HK\$0.215 per Existing Share for the last ten consecutive trading days up to and including the Last Trading Day;
- (5) a discount of approximately 58.97% to the unaudited net assets per Share of approximately HK\$0.195 as at 30 June 2015 (calculated based on the unaudited net asset value attributable to owners of the Company of approximately HK\$283,091,000 as per the interim report of the Group for the six months ended 30 June 2015 and 1,454,801,299 Existing Shares in issue as at 30 June 2015);
- (6) a discount of approximately 52.38% to the closing price of HK\$0.168 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (7) a discount of approximately 30.43% to the theoretical ex-entitlement price of approximately HK\$0.115 per Existing Share based on the closing price of HK\$0.168 per Existing 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 Underwriter with reference to, among others, the prevailing market price of the Shares and the trading liquidity of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their

LETTER FROM THE BOARD

entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.077.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders and accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders.

Based on the register of members of the Company as at the Latest Practicable Date, there were approximately 574 Overseas Shareholders residing in Singapore, PRC, Malaysia, the United States of America, Canada and Indonesia respectively. In accordance with the Listing Rules, the Company is conducting enquiries regarding the feasibility to extend the Open Offer to the Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

The Company will send the Prospectus Documents containing, among other things, details of the Open Offer, to the Qualifying Shareholders on Friday, 29 April 2016. The Company will send the Overseas Letter together with the Prospectus to the Non-Qualifying Shareholders for their information only, but no Application Form will be sent to them.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Open Offer

Subject to the fulfilment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 27 May 2016. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 27 May 2016 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no Offer Shares will be offered to the Qualifying Shareholders in excess of their respective entitlements under the Open Offer and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

The Board estimates that an additional cost of approximately HK\$200,000 will have to be put in for the administration of the excess application procedure (including preparing and arranging the excess application, reviewing the relevant documents, liaising with professional parties and printing of application forms, etc.) and considers that such additional administrative efforts and cost would outweigh the benefits of the Shareholders' rights for the excess application and therefore not cost-effective. Given the current financial position of the Group, the Board considers that it is important for the Group to minimise all costs which may be incurred during the fund raising exercise.

The absence of excess application will prevent such procedures not being abused by Shareholders holding small amount of Shares applying for a large amount of Offer Shares through excess application.

The absence of the excess application arrangement may not be desirable from the point of view of those Qualifying Shareholders who wish to take up additional Offer Shares in excess of their assured entitlements. However, the aforesaid should be balanced against the facts that (i) the Subscription Price is set at a discount to the prevailing market price of the Shares which provides reasonable incentives to all the Qualifying Shareholders who are positive about the future development of the Company to take up their respective assured entitlement of the Offer Shares and participate in the Open Offer; (ii) the Qualifying Shareholders have the first right to decide whether to accept the Open Offer; and (iii) the absence of excess application would avoid additional effort and costs to administer the excess application procedures.

In view of the above, although it is beneficial to have excess application for the Qualifying Shareholders who wish to take up additional Offer Shares, the Board considered that the Open Offer enables the Qualifying Shareholders to maintain their pro-rata interests in the Company should they so wish by applying the Offer

LETTER FROM THE BOARD

Shares according to their shareholdings in the Company, and therefore, the absence of the excess application arrangement is fair and reasonable.

Fractions of the Offer Shares

Fractions of Offer Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to nearest whole number. Any Offer Shares created from the aggregation of fractions of Offer Shares will be aggregated and taken up by the Underwriter.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing of the Offer Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 9:00 a.m. on Monday, 30 May 2016 the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Closure of register of members

For the purpose of determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 13 April 2016 to Monday, 18 April 2016, both days inclusive, and no transfer of Shares will be registered during such period.

The register of members of the Company will also be closed from Friday, 22 April 2016 to Thursday, 28 April 2016, both days inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during such period.

LETTER FROM THE BOARD

The Underwriting Agreement

Date: 26 February 2016 (after trading hours of the Stock Exchange) as supplemented and amended by the First Supplemental Underwriting Agreement and the Second Supplemental Underwriting Agreement

Underwriter: Kingston Securities Limited

Number of Underwritten Shares: 2,200,208,949 Offer Shares

The Underwriter is a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Under the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Untaken Shares:

- (a) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in (i) the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; or (ii) any breach of any applicable laws and regulations (including, but without limitation, the Companies (WUMP) Ordinance); and
- (b) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert with and not connected with the Company, any of the Directors or chief executive or Substantial Shareholders of the Company or their respective associates; and (ii) none of such subscribers, together with any party acting in concert with it, will hold 19.9% or more of the voting rights of the Company upon completion of the Open Offer, such that the Company will be able to comply with the minimum public float requirements under Rule 8.08(1) of the Listing Rules.

As at the date of the Underwriting Agreement and the Latest Practicable Date, the Underwriter does not hold any Shares. To the best of the Directors' knowledge and information, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Underwriting Commission

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares, being 2,200,208,949 Offer Shares.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

LETTER FROM THE BOARD

- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the announcement or the circular in relation to the Open Offer to be despatched to the Shareholders, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (h) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise, the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (b) any specified event (as defined under the Underwriting Agreement) comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties thereto shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement.

LETTER FROM THE BOARD

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders to approve the Capital Reorganisation at the SGM;
- (b) compliance with the relevant procedural requirements under the Bermuda Companies Act to effect the Capital Reduction, including the publication of a notice of reduction in an appointed newspaper in Bermuda in accordance with section 46(2) of the Bermuda Companies Act;
- (c) the approval of the Open Offer by the Independent Shareholders at the SGM by not later than the Prospectus Posting Date;
- (d) the delivery to the Stock Exchange for authorisation and the registration with the Registrar respectively not later than the Prospectus Posting Date one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (e) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (f) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings on the Stock Exchange;
- (g) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof at or before the Latest Time for Termination;
- (h) the compliance with and performance of all undertakings and obligations of Business Century and Ms. Xie under the Second New Undertakings;
- (i) the compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects; and

LETTER FROM THE BOARD

- (j) there being no specified event (as defined under the Underwriting Agreement) occurring prior to the Latest Time for Termination.

Save for condition (h) above which can only be waived by the Underwriter, none of the above conditions are waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and neither party shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement.

The Company shall use all reasonable endeavours to procure the fulfilment of all the conditions by the Latest Time for Termination (or such other time and date as the Company and the Underwriter may agree in writing) and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated in the Underwriting Agreement.

THE SECOND NEW UNDERTAKINGS

Undertakings of Business Century

Pursuant to the Second New Undertakings, Business Century has irrevocably undertaken to the Company and to the Underwriter:

- (a) to subscribe or procure its associates to subscribe, for 418,432,998 Offer Shares which will be provisionally allotted to it in respect of the 278,955,333 Shares owned by it pursuant to the Open Offer;
- (b) to remain as the legal and beneficial owner of the 278,955,333 Shares owned by it from the date of Ms. Xie's Undertakings to the close of business on the Record Date;
- (c) not to, whether directly or indirectly, sell, transfer, dispose of, encumber in any way the 278,955,333 Shares owned by it from the date of Ms. Xie's Undertakings to the close of business on the Record Date; and
- (d) to procure that its acceptance of the Offer Shares which will be provisionally allotted to it under the Open Offer be lodged with the Registrar, with payment in full thereof, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions printed on the Application Form.

As at the Latest Practicable Date, save for Business Century, the Board has not received any information from any Shareholders of their intention to take up the Offer Shares to be offered to them.

LETTER FROM THE BOARD

Undertakings of Ms. Xie

Pursuant to the Second New Undertakings, Ms. Xie has undertaken to the Company and the Underwriter:

- (a) to procure Business Century to subscribe for 418,432,998 Offer Shares which will be provisionally allotted to Business Century in respect of the 278,955,333 Shares owned by Business Century pursuant to the Open Offer;
- (b) to remain as the sole director and sole shareholder of Business Century from the date of Ms. Xie's Undertakings to the date of completion of the Open Offer; and
- (c) not to, whether directly or indirectly, sell, transfer, dispose of, encumber in any way the shares in Business Century owned by her from the date of Ms. Xie's Undertakings to the close of business on the Record Date.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer, assuming there is no further issue of new Shares or repurchase of Shares by the Company on or before the Record Date:

Shareholders	Before completion of the Open Offer		Immediately after completion of the Open Offer			
	As at the Latest Practicable Date		All Offer Shares are subscribed by the Qualifying Shareholders		None of the Offer Shares are subscribed by the Qualifying Shareholders (except for Business Century)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Business Century	278,955,333	15.98	697,388,331	15.98	697,388,331	15.98
Directors						
Mr. Leung Chi Fai	1,700,000	0.10	4,250,000	0.10	1,700,000	0.04
Mr. Li Chongyang	5,000,000	0.29	12,500,000	0.29	5,000,000	0.11
Mr. Cong Yongjian	300,000	0.02	750,000	0.02	300,000	0.01
Underwriter (<i>Note 1</i>)	–	0.00	–	0.00	2,200,208,949	50.41
Public Shareholders	1,459,805,966	83.61	3,649,514,915	83.61	1,459,805,966	33.45
Total:	1,745,761,299	100.00	4,364,403,246	100.00	4,364,403,246	100.00

LETTER FROM THE BOARD

Notes:

1. Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in (a) the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; or (b) any breach of any applicable laws and regulations (including, but without limitation, the Companies (WUMP) Ordinance).
2. References are made to the announcements of the Company dated 23 June 2015, 26 October 2015 and 5 February 2016, respectively in respect of the convertible notes previously issued by the Company. As advised by the legal adviser of the Company, as far as the Company is concerned, all remaining convertible notes have become void and are not capable of converting into Shares.
3. The percentages are subject to rounding.

REASONS FOR AND BENEFITS OF THE OPEN OFFER AND USE OF PROCEEDS

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

The Group intends to diversify its business into the financial service industry and other profitable industries, in order to provide returns and enhance value for the Shareholders and to broaden the revenue base of the Group.

The gross proceeds from the Open Offer will be approximately HK\$209.49 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$202.75 million.

In order to diversify the business portfolio and broaden the income base of the Group, the Company intends to apply the net proceeds from the Open Offer (a) as to approximately HK\$72.80 million for the development of financial service businesses; (b) as to approximately HK\$60.00 million for the development of the car businesses; and (c) as to approximately HK\$69.95 million for general working capital of the existing businesses of the Group for the next 12 months.

Development of financial service businesses

Funding Needs

References are made to the announcements of the Company dated 11 December 2015 and 4 March 2016. The Group entered into the sale and purchase agreements in relation to the acquisitions of Ark One Limited and Grand Silver Securities Limited which are principally engaged in Type 9 regulated activities (Asset Management) and Type 1 regulated activities (dealing in securities), respectively, under the SFO. The acquisitions are expected to complete before the third quarter of 2016, and the Group intends to allocate proceeds from the Open Offer of approximately HK\$9.80 million for the considerations. Upon completion of the acquisitions, the Group intends to allocate approximately HK\$4.00 million for capital expenditure in setting up its new office and facilities and approximately HK\$9.00 million for general working capital for the next six months, out of which (i) approximately HK\$5.00 million for the operation fund; and (ii) approximately HK\$4.00 million to be incurred for the staff costs, rental expenses and other administration expenses.

LETTER FROM THE BOARD

Reference is made to the announcement of the Company dated 4 March 2016. Sunway Financial Management Limited, a wholly-owned subsidiary of the Company, has obtained a money lending licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) on 11 February 2016. The Group intends to engage in money lending business in the future in order to provide better returns, and enhance values for, the Shareholders. The Group intends to allocate the proceeds from the Open Offer of approximately HK\$50.00 million as the principal amount for future money lendings.

In respect of the businesses involving Types 1 and 9 regulated activities under the SFO, the potential major customers are expected to be mainly from referrals by the proposed senior management team of Ark One limited and Grand Silver Securities Limited and members in the Group. The Company plans to leverage on the vast business connections developed by the senior management of the Company as one of the methods to solicit customers for the businesses involving Types 1 and 9 regulated activities under the SFO.

In respect of the Group's money lending business, the Group has been approached by various potential customers. In particular, the Group is in the preliminary stage of negotiations with a potential customer who intends to borrow an amount of approximately HK\$50 million.

As at the Latest Practicable Date, subject to completion of the Open Offer, the Board does not envisage future funding needs for financial service businesses in the upcoming 12 months.

Management Expertise

In respect of the businesses involving Types 1 and 9 regulated activities under the SFO, the Group will take measures to enhance the standard of the senior management of Grand Silver Securities Limited and Ark One Limited. Apart from retaining the existing senior management of the aforementioned target companies, the Group has also identified a candidate specialising in asset management and securities trading, who will be suitable to be appointed as senior management of Ark One Limited (subject to approval from the SFC).

In respect of the Group's money lending business, before granting a money lenders licence, the licensing court shall consider the qualification of any person responsible or proposed to be responsible for the management of the business or any part thereof, or in the case of a company, any director, or officer thereof, is a fit and proper person to be associated with the business of money lending.

Mr. Leung Chi Fai, the executive Director and finance director of the Group since 1999, is responsible for the finance, accounting and corporate secretarial functions of the Group. He has extensive experience in financial management, credit control and corporate management and will oversee and monitor the money lending business.

LETTER FROM THE BOARD

Development of the car businesses

Funding Needs

Reference is made to the announcement of the Company dated 24 February 2016. The Group entered into the non-legally binding memorandum of understanding in relation to the Possible Acquisition.

Given the potential growth and positive outlook in the car rental and car finance businesses in PRC market; and the introduction of certain stimulating governmental regulations and policies in the car finance services industry, the Board believes that the acquisition can enable the Group to explore the possibility of diversification of the business and to broaden the revenue base of the Group. The Group proposes to inject capital of not exceeding approximately HK\$60.00 million into the car businesses after the completion of the acquisition, out of which (i) approximately HK\$30.00 million will be used as the principal amount for car financing; (ii) approximately HK\$20.00 million will be used as capital expenditure for including purchases of various types of vehicles for leasing purpose; and (iii) approximately HK\$10.00 million will be retained for the general operation fund. The Group proposes to leverage on the existing client base of the car businesses for their business development.

As the Possible Acquisition is subject to further negotiations and the entering into of a formal agreement, the Possible Acquisition may or may not materialize. In case the Possible Acquisition does not materialise, the Company will reallocate more resources to the development of the financial service businesses, in particular, the money lending business.

Out of the proceeds of HK\$60.00 million, approximately HK\$30.00 million will be alternatively applied as additional principal for money lending business. Apart from the potential borrowers currently identified, the Company will continue to look for other potential borrowers in the near future and therefore consider the additional funds will further enhance the operational capacity. In addition, the remaining proceeds of approximately HK\$30.00 million will be alternatively applied for repayment of bank borrowings of the Group with annual interest ranging from 4.79% to 7.38%, which are repayable in the last quarter of 2016. In view of (i) the operational capacity of the money lending business will be enhanced; and (ii) the interest burden of the Group will be reduced and the gearing of the Group will be enhanced, the Directors consider the alternative use of the proceeds is fair and reasonable.

As at the Latest Practicable Date, subject to completion of the Open Offer, the Board does not envisage future funding needs for the car businesses in the upcoming 12 months.

Management Expertise

The Board has extensive experience in corporate management. To further strengthen the management team of the car businesses, the Company will consider to identify suitable professionals in the relevant industry in the event the Possible Acquisition materialises. However, as at the Latest Practicable Date, no candidate has been identified

LETTER FROM THE BOARD

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.

Funding needs for general working capital for the existing businesses of the Group

As at 31 January 2016, the cash and bank balances of the Group amounts to approximately HK\$22.44 million. In light of the operating needs of the Group, the Company intends to allocate proceeds from the Open Offer of approximately HK\$69.95 million for the general working capital for the existing business of the Group for the next 12 months. The Group intends to maintain higher level of cash and bank balances in order to increase the flexibility of operation by maintaining further funding of approximately HK\$25.00 million. The Group intends to utilise approximately HK\$44.95 million for paying the general administrative expenses for the next 12 months which mainly include staff and related costs of approximately HK\$20.00 million, rental and office expenses of approximately HK\$7.00 million, legal and professional fees of approximately HK\$5.00 million, other administrative expenses of approximately HK\$9.45 million, finance costs of approximately HK\$3.50 million.

Other fund raising alternatives

Apart from the Open Offer, the Directors had also considered other financing methods, such as rights issue, placing and debt financing, in order to meet its financing requirement arising from the development of the Group.

In respect of rights issue, the Directors considered the additional costs and expenses would be incurred for administrative work and the arrangement of trading the nil-paid rights. In respect of placing of new shares, the Directors considered the interests of the existing Shareholders will be diluted as they will not be able to participate on an equitable basis. Having considered (i) the extra administrative work and additional cost of rights issue; (ii) the placing of new shares will lead to dilution of existing Shareholders' interests, the Directors are of the view that raising funds by way of the Open Offer is a better option and the Open Offer is in the interests of the Company and the Shareholders as a whole.

In respect of debt financing, the Directors have also considered bank borrowings or debt financing. However, the use of debt financing (i) may create additional interest burden to the Group, which would adversely affect the Group's performance and (ii) provision of pledged assets may be required by the borrowers; and (iii) the Group may be subject to, including but not limited to, lengthy due diligence and negotiations with banks and the prevailing market condition.

The Board considers that the Open Offer represents an opportunity for the Group to broaden its Shareholder and capital base thereby increasing the liquidity of the Shares. The Board also believes that the Open Offer will enable the Group to enhance its financial position. The Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the potential future development of the Group. The Directors (including the independent non-executive Directors) consider that the Underwriting Agreement is entered into upon normal commercial terms and that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon Completion of the Open Offer.

Fund raising activities of the Company in the past 12 months prior to the Last Trading Day

Set out below is the fund raising activities conducted by the Company in the past 12 months prior to the Last Trading Day.

Date of initial Announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds received as at the Last Trading Day
10 July 2015	Placing of new shares under general mandate	Approximately HK\$94.8 million	General working capital and/or future investment opportunities	HK\$1.0 million was utilised for payment as deposit for the acquisition of Ark One Limited as disclosed in the announcement of the Company dated 11 December 2015; approximately HK\$80.5 million was utilised for general working capital of the Group; and approximately HK\$13.3 million will be used as intended

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the Last Trading Day.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Capital Reorganisation becoming effective and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 20 April 2016 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 20 May 2016), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the SGM, where the controlling shareholder of the Company, or in the case where the Company has no controlling shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer.

As at the Latest Practicable Date, the Company has no controlling shareholder. Mr. Leung Chi Fai and Mr. Li Chongyang, the executive Directors, are interested in 1,700,000 and 5,000,000 Shares respectively, as at the Latest Practicable Date. Accordingly, Mr. Leung Chi Fai and Mr. Li Chongyang and their respective associates are required to abstain from voting in favour of the respective resolution(s) for approving the Open Offer and the absence of the excess application arrangement at the SGM. Ms. Xie is the sister-in-law of Mr. Huang Weidong, an executive Director and the Chairman of the Board. Under the Listing Rules, Ms. Xie is not an associate of Mr. Huang Weidong and Ms. Xie is not required to abstain from voting.

Save as disclosed above, there are no other Directors (excluding independent non-executive Directors), chief executive of the Company nor respective associates of any of them holding any Shares.

GENERAL

The Company has established the Independent Board Committee, which comprises all independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. INCU has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

III. PROPOSED CHANGE OF BOARD LOT SIZE

The Board proposes that the board lot for trading in the Shares on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Monday, 30 May 2016. The expected timetable for change of board lot size of the Shares is set out in this circular.

The Shares are currently traded in board lot of 2,000 Shares each and the market value of each board lot is HK\$336 (based on the closing price of HK\$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date). The Board proposes to change the board lot size for trading of the Shares from 2,000 Shares to 20,000 Shares with effect from Monday, 30 May 2016.

Based on the theoretical ex-entitlement price of the Shares of HK\$0.115 per Share with reference to the closing price on the Latest Practicable Date, the new estimated board

LETTER FROM THE BOARD

lot value of 20,000 Shares would be approximately HK\$2,300. The change of board lot size of the Shares will not result in any changes in the relative rights of the Shareholders.

To alleviate the difficulties in trading odd lots of the Shares arising from the change of board lot size of the Shares, the Company will appoint a securities house as an agent to provide odd lot matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 30 May 2016 to 4:00 p.m. on Monday, 20 June 2016. Further details will be announced regarding the odd lot matching facility. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the facility.

All existing share certificates in board lot of 2,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change of board lot size of the Shares, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificates in board lot size of 20,000 Shares is necessary. With effect from Monday, 30 May 2016, any new certificate of the Shares will be issued in new board lot size of 20,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

The change of board lot size of the Shares is not conditional upon the approval of the Capital Reorganisation and/or the Open Offer by the Shareholders and Independent Shareholders, respectively at the SGM.

IV. PROPOSED RE-ELECTION OF DIRECTORS

As disclosed in the announcements of the Company on 10 June 2015 and 14 August 2015, Mr. Huang Weidong and Mr. Cong Yongjian were appointed as an executive Director and an independent non-executive Director, respectively.

Further, as disclosed in the announcement of the Company dated 26 October 2015, Mr. Li Chongyang and Ms. Qi Jiao were appointed as executive Directors and Mr. Lam Kai Yeung, Ms. Deng Chunmei and Mr. Liu Chenli were appointed as independent non-executive Directors.

Pursuant to the code provision of A.4.2 of Appendix 14 to the Listing Rules, Mr. Huang Weidong, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli should be subject to election by the Shareholders at the first general meeting of the Company after their respective appointments. Hence, Mr. Huang Weidong, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli shall retire from office at the SGM. Mr. Huang Weidong, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli, all being eligible, will offer themselves for re-election at the SGM.

LETTER FROM THE BOARD

Bye-Law 116 provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless a notice in writing signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a Director and also a notice in writing by that person of his willingness to be elected shall be lodged at the principal place of business of the Company in Hong Kong at Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

Information of Mr. Huang Weidong, Mr. Li Chongyang, Ms. Qi Jiao, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli, the Directors subject to re-election, as required to be disclosed by the Listing Rules is set out in Appendix III – "Biographical Details of the Retiring Directors" to this circular.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the SGM is received after the printing of this circular, the Company will issue an announcement and/or a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

V. SGM

The SGM will be convened and held at 10:00 a.m. on Monday, 18 April 2016 at 1804B, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong or in the event that a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day, at the same time and place on the second Business Day after 18 April 2016 or any adjournment thereof, for: (a) the Shareholders to consider, and if thought fit, to approve, among other things, the Capital Reorganisation; (b) the Independent Shareholders to consider, and if thought fit, to approve, among other things: (i) the proposed Open Offer, the Underwriting Agreement, and the respective transactions contemplated thereunder; and (c) the Shareholders to consider, and if thought fit, to approve (i) the re-election of Mr. Huang Weidong as executive Director; (ii) the re-election of Mr. Li Chongyang as executive Director; (iii) the re-election of Ms. Qi Jiao as executive Director; (iv) the re-election of Mr. Cong Yongjian as independent non-executive Director; (v) the re-election of Ms. Deng Chunmei as independent non-executive Director; (vi) the re-election of Mr. Lam Kai Yeung as independent non-executive Director; (vii) the re-election of Mr. Liu Chenli as independent non-executive Director; and (viii) the authorisation of the Board to fix such Directors' remuneration.

In accordance with Rule 13.39(4) of the Listing Rules, all the resolutions proposed at the SGM will be voted on by way of poll except where the chairman of the SGM, in good faith, decide to allow a resolution which relates purely to procedural or administrative matter to be voted on by a show of hands. The chairman of the SGM will at the meeting

LETTER FROM THE BOARD

demand, pursuant to Bye-Law 73, voting by way of poll on the above resolutions. On a poll, subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Bye-Laws, every Shareholder present in person (or being a corporation, is present by its duly authorised representative), or by proxy shall have one vote for every fully paid Share of which he/she/it is the holder.

Further, in accordance with the Listing Rules, Mr. Leung Chi Fai (who was interested in 1,700,000 Shares as at the Latest Practicable Date) and Mr. Li Chongyang (who was interested in 5,000,000 Shares as at the Latest Practicable Date) and their respective associates will abstain from voting on the relevant resolution for approving the Open Offer, the Underwriting Agreement, and the respective transactions contemplated thereunder at the SGM.

The notice convening the SGM is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in an event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting should you so wish.

For the purpose of determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 13 April 2016 to Monday, 18 April 2016, both days inclusive, and no transfer of Shares will be registered during such period.

After closure of the SGM, the Company will publish an announcement in respect of the poll results on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.irasia.com/listco/hk/sunway/index.htm>) respectively.

Upon approval of the Capital Reorganisation by the Shareholders, and the Open Offer by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders on Friday, 29 April 2016 and the Overseas Letter together with the Prospectus will be despatched to the Non-Qualifying Shareholders for information only. No Application Form will be sent to the Non-Qualifying Shareholders.

RECOMMENDATION

The Directors (including the independent non-executive Directors after taking into account of the advice of the Independent Financial Adviser) are of the opinion that (a) the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole; and (b) the terms of the Open Offer (including the absence of excess application arrangement) and the Underwriting Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors after taking into account of the advice

LETTER FROM THE BOARD

of the Independent Financial Adviser) recommend the Shareholders and Independent Shareholders to vote in favour of all resolution(s) to be proposed at the SGM.

Your attention is drawn to the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders set out on pages 39 to 40 of this circular and the letter from Independent Financial Adviser containing its recommendation to the Independent Shareholders and the principal factors which it has considered in arriving at its recommendation with regard to the Open Offer, as set out on pages 41 to 60 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Open Offer.



SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 58)

23 March 2016

To the Independent Shareholders

Dear Sirs or Madams,

PROPOSED OPEN OFFER ON THE BASIS OF THREE OPEN OFFER SHARES FOR EVERY TWO SHARES HELD ON THE RECORD DATE

We refer to the circular of the Company to the Shareholders dated 23 March 2016 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the Open Offer.

INCUB has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are on normal commercial terms, fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 41 to 60 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 12 to 38 of the Circular.

* *for identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the factors and reasons considered by, and the opinion of, the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” in the Circular, we are of the opinion that the terms of the Open Offer are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Open Offer, the Underwriting Agreement and the respective transactions contemplated thereunder.

Yours faithfully,

The Independent Board Committee

Mr. Cong Yongjian
*Independent
non-executive
Director*

Ms. Deng Chunmei
*Independent
non-executive
Director*

Mr. Lam Kai Yeung
*Independent
non-executive
Director*

Mr. Liu Chenli
*Independent
non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



INCUCO Corporate Finance Limited
Unit 1602, 16/F., Tower 1, Silvercord
30 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

23 March 2016

*To: The Independent Board Committee and
the Independent Shareholders of
Sunway International Holdings Limited*

Dear Sir or Madam,

PROPOSED OPEN OFFER ON THE BASIS OF THREE OPEN OFFER SHARES FOR EVERY TWO SHARES HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to give opinion in relation to the Open Offer, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 23 March 2016 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stated in the Announcements, the Company proposes to raise approximately HK\$209.49 million, before expenses, by issuing 2,618,641,947 Offer Shares to the Qualifying Shareholders by way of the Open Offer at the Subscription Price of HK\$0.08 per Offer Share on the basis of three (3) Offer Shares for every two (2) New Shares held on the Record Date and payable in full upon application. Qualifying Shareholders are not entitled to apply for Offer Shares in excess of their respective entitlements under the Open Offer and any Offer Shares not taken up by the Qualifying Shareholders under the Open Offer will be underwritten by the Underwriter. The Open Offer is only available to the Qualifying Shareholders, and will not be extended to the Non-Qualifying Shareholders.

The estimated net proceeds of the Open Offer will be approximately HK\$202.75 million. The Company intends to apply the net proceeds from the Open Offer for the development of the newly acquired businesses, the Possible Acquisition and general working capital for the existing business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, the Company proposes to implement the Capital Reorganisation (involving the Capital Reduction and Share Sub-division) which will be subject to Shareholders' approval at the SGM. The Open Offer is conditional upon the Capital Reorganisation becoming effective.

Pursuant to the requirements of the Listing Rules, the Open Offer is conditional upon the approval by the Shareholders by way of a poll at the SGM, where the controlling shareholder of the Company, or in case where the Company has no controlling shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the Open Offer. As at the Latest Practicable Date, the Company has no controlling shareholder. Mr. Leung Chi Fai and Mr. Li Chongyang, the executive Directors, are interested in 1,700,000 and 5,000,000 Shares respectively, as at the Latest Practicable Date. Accordingly, Mr. Leung Chi Fai and Mr. Li Chongyang and their respective associates are required to abstain from voting in favour of the respective resolution(s) for approving the Open Offer, including but not limited to, the absence of an excess application arrangement, at the SGM.

The Company has established an independent board committee which comprises all independent non-executive Directors, namely Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli, to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account our recommendations.

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, INCU has no relationship with and is not connected with the Directors, chief executives and substantial shareholders of the Company or any of their respective associates. INCU has no shareholding interest in and has not acted as an independent financial adviser to the Company or any of its respective subsidiaries or their respective associates during the past two years. Accordingly, we consider that we are eligible to give independent advice on the Open Offer.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company and the management of the Group. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information.

However, we have not conducted any in-depth independent investigation into the business, affairs and financial positions of the Group, nor have we carried out any independent verification of the information supplied. In addition, we have not considered the tax consequences on the Qualifying Shareholders arising from the subscription for, holding of or dealing in the Offer Shares or otherwise, since these are particular to their own circumstances. We will not accept responsibility for any tax effect on, or liabilities of, any person resulting from the subscription for, holding of or dealing in the Offer Shares or the exercise of any rights attaching thereto or otherwise. In particular, Qualifying Shareholders subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Open Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the Open Offer, we have taken into consideration of the following principal factors and reasons:

I. Background of the Group

(a) *Businesses of the Group*

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

(b) *Financial information of the Group*

Set out below is the audited consolidated financial information of the Company for the financial year ended 30 September 2013 (“**FY2013**”) and the fifteen months ended 31 December 2014 (“**FP2014**”) as extracted from the annual report of the Company for the period ended 31 December 2014 (the “**2014 Annual Report**”) and the unaudited consolidated financial information for the six months ended 31 March 2014 (“**1IP2014**”) and 30 June 2015 (“**1H2015**”) as extracted from the interim report of the Company for the six months ended 30 June 2015 (the “**2015 Interim Report**”):

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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	FY2013 <i>HK\$'000</i> (audited)	FP2014 <i>HK\$'000</i> (audited)	1IP2014 <i>HK\$'000</i> (unaudited)	1H2015 <i>HK\$'000</i> (unaudited)
Continuing operations <i>(Note 1)</i>				
Revenue	–	305,048	–	179,552
Gross profit	–	48,401	–	19,212
Profit/(loss) before tax	(12,905)	(71,304)	(5,470)	(81,916)
Discontinued operations <i>(Note 2)</i>				
Profit/(loss) from discontinued operations	(193,540)	(310,372)	(114,137)	484,073
Profit/(loss) attributable to Shareholders	(206,445)	(394,405)	(119,607)	397,721
	As at 30 September 2013 <i>HK\$'000</i> (audited)	As at 31 December 2014 <i>HK\$'000</i> (audited)	As at 30 June 2015 <i>HK\$'000</i> (unaudited)	
Non-current assets	606,438	345,701	366,382	
Current assets	625,786	1,313,042	288,879	
Non-current liabilities	214,452	243,077	19,766	
Current liabilities	632,097	1,227,773	299,833	
Net assets attributable to the Shareholders	385,675	134,407	283,091	
Cash and bank balances	145,343	20,529	47,265	

Notes:

1. Continuing operations of the Company (the “**Continuing Operations**”) represent the pre-stressed high-strength concrete piles business (“**PHC Pile Business**”) and the pre-stressed steel bars business (“**PC Steel Bar Business**”), which were acquired by the Group in May 2014.
2. Discontinued operations of the Company (the “**Discontinued Operations**”) represented the electronic components and parts and the consumer electronic products (the “**Electronic Component Business**”), which were terminated in January 2015.

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(i) *Financial performance of the Group*

The total revenue from the Continuing Operations is mainly generated from the PHC Pile Business, which contributed over 75% and 90% of the total revenue from the Continuing Operations for FP2014 and 1H2015 respectively. The customers of the PHC Pile Business are mainly construction material manufacturers which are located in the Guangdong province. As the Continuing Operations were acquired in May 2014, there was no revenue contribution from the PHC Pile Business and PC Steel Bar Business to the Group for FY2013 and 1IP2014.

As disclosed in the 2014 Annual Report, revenue from the PHC Pile Business from 2 May 2014, being the date of acquisition, to 31 December 2014 amounted to approximately HK\$243,943,000. As advised by the Director, the PHC Pile Business for FP2014 has been adversely affected due to the tightening credit measures in PRC, which in turn gave pressure to the property market and construction activities. Loss attributable to the Shareholders for FP2014 of approximately HK\$394,405,000 was resulted, mainly due to the operating losses from the Discontinued Operations of approximately HK\$310,372,000 and the impairment loss of goodwill relating to the PC Steel Bar Business of approximately HK\$42,902,000 due to the significant loss incurred by the PC Steel Bar Business.

As disclosed in the 2015 Interim Report, other than the seasonal factor of the industry which attributes comparatively higher turnover in the last quarter of the year and lower turnover in month of the Chinese New Year, the revenue from the PHC Pile Business (1H2015: HK\$165,797,000; FP2014 since 2 May 2014: HK\$243,943,000) remained stable. On the contrary, revenue from the PC Steel Bar Business (1H2015: HK\$15,429,000; FP2014 since 2 May 2014: HK\$69,967,000) was significantly worsened, due to the business interruption in its production capacity as a result of the litigations claims from banks against certain subsidiaries of the Group. Besides, as a result of the provision for impairment loss on trade and other receivables of approximately HK\$54,191,000 and loss on extinguishment of other payable of approximately HK\$19,575,000, the Company recorded an operating loss of approximately HK\$81,916,000 from the Continuing Operations for 1H2015. For 1H2015, the Group recorded profit attributable to the Shareholders of approximately HK\$397,721,000, mainly due to the one-off gain on disposal of approximately HK\$499,495,000 for the disposal of the Electronic Component Business in January 2015.

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(ii) Financial position of the Group

Based on the 2015 Interim Report, as at 30 June 2015, the Group recorded net assets attributable to the Shareholders of approximately HK\$283,091,000, but also net current liabilities of approximately HK\$10,954,000. The gearing ratio, which was computed by dividing total liabilities by total equity, was 95% as at 30 June 2015.

As at 30 June 2015, the unaudited current assets of the Group mainly comprised trade and bill receivables of HK\$134,366,000, prepayments, deposits and other receivables of approximately HK\$86,074,000 and cash and bank balances of approximately HK\$47,265,000, while the unaudited non-current assets of the Group mainly comprised property, plant and equipment of approximately HK\$157,917,000, goodwill of approximately HK\$84,421,000, available-for-sale financial assets of approximately HK\$73,713,000.

As at 30 June 2015, the Group's unaudited current liabilities of the Group mainly represented the amount due to a non-controlling Shareholder of approximately HK\$111,900,000, interest bearing borrowings of approximately HK\$92,585,000 (which represented 195.88% of the cash and cash equivalents) and trade and bill payables of approximately HK\$69,234,000.

(iii) Potential claims and litigations of the Group

With reference to the announcement by the Company dated 5 February 2016, Ms. Liu Qian ("**Ms. Liu**"), as the holder of the convertible bonds issued by the Company ("**Ms. Liu's Notes**"), has initiated an action against the Company to claims, among others, (i) HK\$25,000,000, being the damages to Ms. Liu caused by the Company's refusal to convert Ms. Liu's Notes into Shares; and (ii) HK\$15,000,000, being the value of Ms. Liu's Notes. However, as Ms. Liu's Notes are the subject matter in the legal proceedings instituted by the Company against Mr. Xiao Guang Kevin ("**Mr. Xiao Legal Proceedings**") for breach of terms and conditions of a sale and purchase agreement in relation to the very substantial acquisition of the Company as announced by the Company in its announcement dated 30 January 2014 and its circular dated 31 March 2014, the Company believes it has grounds not to accede to the Ms. Liu's requests pending the determination of Mr. Xiao Legal Proceedings.

As advised by the Directors, the Company is seeking advice from its legal advisers on the legal proceedings discussed above and will vigorously contest Ms. Liu's claims. In any event, the Board does not envisage that Ms. Liu's claims will have any material adverse impact to the financial performance and trading position of the Group.

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As advised by the Directors, as at the latest Practicable Date, the Group has five outstanding litigations against Zhuhai Hoston Special Materials Co., Limited (“**Zhuhai Hoston**”), a subsidiary of the Company, in PRC. Based on the respective rulings and the Company’s estimation, the total maximum claims amount to approximately RMB16.00 million. The Company is looking into matter in relation to the rulings with the management of Zhuhai Hoston.

Details of the aforementioned litigations are set out in the Appendix IV to the Circular, the Directors represent that, save as disclosed above, to the best of their knowledge, there is no outstanding legal proceedings which will lead to potential claims of the Group as at the Latest Practicable Date.

(iv) Recent business development of the Group

Reference is made to the announcement of the Company dated 7 January 2016 in relation to the temporary suspension of operation of a factory in Zhuhai (“**Zhuhai Factory**”) which is owned by Zhuhai Hoston.

As advised by the Directors, in view of the present underutilisation of the capacity of Zhuhai Factory and the business interruption as a result of the litigations as disclosed in various announcements of the Company dated 14 May 2015, 5 June 2015, 6 August 2015, 14 October 2015 and 7 January 2016 and the non-recoverable prepayments and other receivables of approximately HK\$43 million due from certain suppliers of Zhuhai Hoston as disclosed in the Annual Report 2014, the suspension of operation could minimize the operating costs as a whole. Accordingly, the Board decided to suspend the operation of Zhuhai Factory until further notice and expected that there will not have further substantial adverse impact on the overall operations of the Group. Notwithstanding the suspension of operation of Zhuhai Factory, the remaining business activities of the Group have been conducted as usual.

As referred to in the Letter from the Board, the Group intends to diversify its business into the financial service industry and other profitable industries, in order to provide returns and enhance value for the Shareholders and to broaden the revenue base of the Group.

On 10 December 2015, the Company entered into a conditional sale and purchase with an independent third party to acquire a company which is principally engaged in Type 9 regulated activities (asset management) under the SFO (the “**Asset Management Business Acquisition**”), as at the Latest Practicable date, the acquisition has not completed and is subject to conditions precedent being fulfilled.

On 11 February 2016, Sunway Financial Management Limited, a wholly-owned subsidiary of the Company, has obtained a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). As at the Latest Practicable Date, the Company has not yet commenced the money lending business. The Group intends to engage in money lending business in the future in order to provide better returns, and enhance values for the Shareholders.

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On 24 February 2016, the Group entered into a memorandum of understanding for the Possible Acquisition to tap into the businesses of car rental, car finance and investment, car sale, car repair and car insurance in PRC.

On 4 March 2016, the Company entered into a conditional sale and purchase with an independent third party to acquire a company which is principally engaged in Type 1 regulated activities (dealing in securities) under the SFO (the “**Securities Business Acquisition**”). As at the Latest Practicable date, the acquisition has not been completed and is subject to conditions precedent being fulfilled.

II. Reasons for the Open Offer and use of proceeds

As advised by the Directors, the Group intends to diversify its business into the financial services industry and any other profitable industries, in order to provide returns and enhance value for the Shareholders and broaden revenue sources of the Group.

The gross proceeds from the Open Offer will be approximately HK\$209.49 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$202.75 million.

As disclosed in the Letter from the Board, in order to diversify the business portfolio and broaden the income base of the Group, the Company intends to apply the net proceeds from the Open Offer (i) as to approximately HK\$72.80 million for development of the financial service businesses; (ii) as to approximately HK\$60.00 million for development of the car businesses; and (iii) as to approximately HK\$69.95 million for general working capital for the existing business of the Group for the next 12 months.

Funding needs for the development of financial service businesses

References are made to the announcements of the Company dated 11 December 2015 and 4 March 2016, the Group entered into the sale and purchase agreements of acquisition of Ark One Limited and Grand Silver Securities Limited which are principally engaged in Type 9 regulated activities (asset management) and Type 1 regulated activities (dealing in securities), respectively, under the SFO. The Asset Management Acquisition and the Security Business Acquisition are expected to complete before the third quarter of 2016, and the Group intends to allocate proceeds from the Open Offer of approximately HK\$9.80 million in aggregate for the considerations. Upon completion of the Asset Management Acquisition and the Security Business Acquisition, the Group intends to allocate approximately HK\$4.00 million for capital expenditure in setting up its new office and facilities and approximately HK\$9.00 million for general working capital for the next six months after completion of both acquisitions, out of which (i) approximately HK\$5.00 million for the operation fund; and (ii) approximately HK\$4.00 million to be incurred for payment of staff costs, rental expenses and other administrative expenses.

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Reference is made to the announcement of the Company dated 4 March 2016, Sunway Financial Management Limited, a wholly-owned subsidiary of the Company, has obtained a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) on 11 February 2016. As advised by the Directors, the Group intends to engage in money lending business in the future in order to provide better returns, and enhance values for, the Shareholders. As such, the Group intends to allocate the proceeds from the Open Offer of approximately HK\$50.00 million as the principal for future money lending.

We note from the Letter from the Board, in respect of the businesses involving Types 1 and 9 regulated activities under the SFO, the potential major customers are expected to be mainly from referrals by the proposed senior management team of Ark One limited and Grand Silver Securities Limited and members in the Group. The Company plans to leverage on the vast business connections developed by the senior management of the Company as one of the methods to solicit customers for the businesses involving Types 1 and 9 regulated activities under the SFO. In respect of the Group's money lending business, the Group has been approached by various potential customers. In particular, the Group is in the preliminary stage of negotiations with a potential customer who intends to borrow an amount of approximately HK\$50 million. As at the Latest Practicable Date, subject to completion of the Open Offer, the Board does not envisage future funding needs for financial service businesses in the upcoming 12 months.

Funding needs for the development of car businesses

Reference is made to the announcement of the Company dated 24 February 2016, the Group entered into the non-legally binding memorandum of understanding in relation to the Possible Acquisition in relation to the businesses of car rental, car finance and investment, car sale, car repair and car insurance.

As disclosed in the Letter from the Board, given the potential growth and positive outlook in the car rental and car finance businesses in PRC market, and the introduction of certain stimulating governmental regulations and policies in the car finance services industry, the Board believes that the acquisition can enable the Group to explore the possibility of business diversification and to broaden its revenue source of the Group. The Group proposes to inject capital of not exceeding HK\$60.00 million into the car businesses after the completion of the acquisition, out of which (i) approximately HK\$30.00 million will be used as the principal amount for car financing; (ii) approximately HK\$20.00 million will be used as capital expenditure including purchases of various types of vehicles for leasing purpose; and (iii) approximately HK\$10.00 million will be retained for the general operation fund. The Group proposes to leverage on the existing client base of the car businesses for their business development. As the Possible Acquisition is subject to further negotiations and the entering into of a formal agreement, the Possible Acquisition may or may not materialise.

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As further disclosed in the Letter from the Board, in case the Possible Acquisition does not materialise, the Company will reallocate the resources to the development of the financial service businesses, in particular, the money lending business. Out of the proceeds of HK\$60.00 million, approximately HK\$30.00 million will be alternatively applied as additional principal for money lending business. Apart from the potential borrowers currently identified, the Company will continue to look for other potential borrowers in the near future and therefore consider the additional funds will further enhance the operational capacity. In addition, the remaining proceeds of approximately HK\$30.00 million will be alternatively applied for repayment of bank borrowings of the Group with annual interest rate ranging from 4.79% to 7.38%, which are repayable in the last quarter of 2016. In view of (i) the operational capacity of the money lending business will be enhanced; and (ii) the interest burden of the Group will be reduced and the gearing of the Group will be enhanced, the Directors consider the alternative use of the proceeds is fair and reasonable. As at the Latest Practicable Date, subject to completion of the Open Offer, the Board does not envisage future funding needs for the car businesses in the upcoming 12 months.

Funding needs for general working capital for the existing business of the Group

As advised by the Directors, the cash and bank balances of the Group as at 31 January 2016 amounted to approximately HK\$22.44 million. In light of the operating needs of the Group, the Company intends to allocate proceeds from the Open Offer of approximately HK\$69.95 million for the general working capital for the existing business of the Group for the next 12 months. The Group intends to maintain higher level of cash and bank balances in order to enhance the flexibility of operation by retaining additional cash of approximately HK\$25.00 million. The Group intends to utilise approximately HK\$44.95 million for paying the general administrative expenses for the next 12 months which mainly include staff and related costs of approximately HK\$20.00 million, rental and office expenses of approximately HK\$7.00 million, legal and professional fees of approximately HK\$5.00 million, other administrative expenses of approximately HK\$9.45 million, finance costs of approximately HK\$3.50 million.

Having considered that (i) the business risk of the Group is high as the Group's revenue heavily rely on the PHC Pile Business; (ii) additional fund for sustaining the Group's operations is needed, in light of the Group's cash and bank balances as at 31 January 2016 of approximately HK\$22.44 million is unlikely to support the Group's working capital requirement for the next 12 months and the development of the newly acquired businesses; and (iii) majority of the net proceeds from the Open Offer will be applied to business expansion in financial service businesses and car businesses (if materialised), which will in turn diversify the Group's business portfolio and broaden the income source of the Group, we concur with the Directors' view that the Open Offer are fair and reasonable and in the interests of the Company and the Shareholder as a whole.

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III. Financing alternatives available to the Group

As discussed with the management of the Company, we are given to understand that apart from the Open Offer, the Directors had also considered other financing methods, such as rights issue, placing and debt financing, in order to meet its financing requirement arising from the development of the Group.

As discussed with the management of the Company, in respect of rights issue, the Directors estimate that the additional costs and expenses would be incurred for such administrative work and the arrangement of trading the nil-paid rights. In respect of placing of new shares, the Directors considered the interests of the existing Shareholders will be diluted as they will not be able to participate on an equitable basis. Having considered (i) the extra administrative work and additional cost of rights issue may outweigh the benefits; and (ii) placing of new shares will lead to dilution of existing Shareholders' interests, the Directors are of the view that raising funds by way of the Open Offer is a better option and the Open Offer is in the interests of the Company and the Shareholders as a whole. In respect of debt financing, the Directors have also considered bank borrowings or debt financing. However, the use of debt financing (i) may create additional interest burden to the Group, which would adversely affect the Group's performance; (ii) provision of pledged assets may be required by the borrowers; and (iii) the Group may subject to, including but not limited to, lengthy due diligence and negotiations with banks and the prevailing market condition.

In light of (i) the administrative work and costs to be incurred in the rights issue; (ii) the Qualifying Shareholders under Open Offer will be given the equal opportunity to maintain their pro-rata shareholding interests in the Company, as compared to dilution effect on existing Shareholders' interests resulting from placing of new shares; and (iii) any debt financing would pose additional interest burden to the Group, we concur with the view of the Directors that the Open Offer is an equitable means to raise capital for the Company under the existing circumstances.

IV. Details and evaluation on the principal terms of the Open Offer

(a) *Principal terms of the Open Offer*

The principal terms of the Open Offer are summarised as follows:

Basis of the entitlement	:	Three Offer Shares for every two New Shares held on the Record Date
Subscription Price	:	HK\$0.08 per Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	1,745,761,299 Existing Shares
Number of Offer Shares	:	2,618,641,947 Offer Shares

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Number of Offer Shares to be taken up or procured to be taken up by Business Century pursuant to the Second New Undertakings:	:	Business Century has irrevocably undertaken in favour of the Company and the Underwriter to subscribe for or procure subscriptions for 418,432,998 Offer Shares to be allotted to it under its entitlement pursuant to the Open Offer
Number of Underwritten Shares	:	2,200,208,949 Shares. The Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer	:	4,364,403,246 New Shares

We note from the 2015 Interim Report that convertible notes of approximately HK\$54,597,000 were recorded as at 30 June 2015. As discussed with the management of the Company, these convertible notes are the subject matters of the legal proceedings of the Company, details of which are set out in the Appendix IV to this Circular, and therefore have become void and are not capable of converting into Shares. The Directors confirm that, as at the Latest Practicable Date, the Company has no outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

(b) Evaluation of the principal terms of the Open Offer

(i) Comparison of the Subscription Price with historical trading prices

The Subscription Price of HK\$0.08 per Offer Share, representing:

- (1) a discount of approximately 55.56% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 33.33% to the theoretical ex-entitlement price of approximately HK\$0.120 based on the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (3) a discount of approximately 60.20% to the average closing price of approximately HK\$0.201 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (4) a discount of approximately 62.79% to the average closing price of approximately HK\$0.215 per Share for the last ten consecutive trading days up to and including the Last Trading Day;
- (5) a discount of approximately 58.97% to the unaudited net assets per Share of approximately HK\$0.195 as at 30 June 2015 (calculated based on the unaudited net assets value attributable to

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owners of the Company of approximately HK\$283,091,000 as per the 2015 Interim Report and 1,454,801,299 Shares in issue as at 30 June 2015;

- (6) a discount of approximately 52.38% to the closing price of HK\$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (7) a discount of approximately 30.43% to the theoretical ex-entitlement price of approximately HK\$0.115 per Share based on the closing price of HK\$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As disclosed in the Letter from the Board, the Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market prices of the Shares and the trading liquidity of the Shares. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

In order to further assess the fairness and reasonableness of the Subscription Price, we have reviewed the movements in closing price of the Shares for the 12 months period commencing from 26 February 2015 to the Last Trading Day (the "**Review Period**"), which is set out in the diagram below.



Note: Trading of the Shares were suspended during the period from 1 April 2015 to 24 April 2015.

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During the Review Period, the closing prices of the Shares as quoted on the Stock Exchange ranged from HK\$0.180 per Share (on 26 February 2015) to HK\$0.820 per Share (on 21 May 2015) with an average of HK\$0.407 per Share. As illustrated in the above diagram, the Subscription Price of HK\$0.08 is below all the closing prices of the Shares during the Review Period, and represents (i) a discount of approximately 80.34% to the average closing price of HK\$0.407; (ii) a discount of approximately 55.56% to the lowest closing price; and (iii) a discount of approximately 90.24% to the highest closing price recorded during the Review Period.

Taking into consideration that (i) the Subscription Price was set at a significant discount to the recent closing price of the Shares with the aim to encourage the existing Shareholders to participate in the Open Offer on a pro rata basis; (ii) it is a common market practice that the subscription price of an open offer normally represented a discount to the prevailing market price of the relevant shares as discussed in the paragraph “Comparable analysis” below; and (iii) the Subscription Price was arrived at after arm’s length negotiation between the Company and the Underwriter, we are of the opinion that the Subscription Price being set below the prevailing market prices of the Shares are in line with the market practice and is fair and reasonable.

(ii) Comparable analysis

In order to assess the fairness and reasonableness of the Subscription Price of the Open Offer, we have identified and reviewed recent open offer transactions which were announced by companies listed on the Stock Exchange (excluding long suspended companies) during the period of six months immediately prior to the date of the Underwriting Agreement (the “**Reference Period**”) (i.e. 26 August 2015 to 26 February 2016). To the best of our knowledge and as far as we are aware of, we identified 24 comparables (the “**Comparables**”) which meet the said criteria and we considered the sample size to be fair and representative as the Comparables can reflect the latest market practice prior to the date of the Underwriting Agreement. We consider that the Reference Period is adequate and appropriate given that (i) such period is sufficiently recent to demonstrate the prevailing market practices prior to the date of the Underwriting Agreement; and (ii) we were able to identify sufficient samples for comparison within such period. Shareholders should note that the size, business nature, scale of operations and prospects of the Company are not exactly the same as the Comparables and we have not conducted any in-depth investigation into the size, business nature, scale of operations and prospects of the Comparables. Nevertheless, given that this analysis is aiming at taking a general reference to the recent market practice in relation to the Subscription Price of the Open Offer, we consider that our comparable analysis on the Subscription Price without limiting to companies that are with similar size, business nature and scale of

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operations as that of the Group is fair and reasonable and useful for the Independent Shareholders' reference. The table below summarises the details of the Comparables:

Company name	Stock code	Announcement date	Basis of entitlement	Discount/ (premium) of subscription price to the closing price on the last trading day prior to/on announcement date %	Discount/ (premium) of subscription price to the theoretical entitlement price based on the share price on the last trading day prior to/on announcement date %	Underwriting commission %	Excess application
China Demeter Investments Limited	8120	23/2/2016	1 for 2	26.47	19.35	3.50	No
China Ruifeng Renewable Energy Holdings Limited	527	28/1/2016	1 for 5	1.30	1.10	2.00	Yes
AMCO United Holding Limited	630	20/1/2016	1 for 2	67.50	58.10	2.50	No
China Green (Holdings) Limited (Formerly known as China Culiangwang Beverages Holdings Limited)	904	19/1/2016	2 for 1	46.67	22.58	2.50	No
Creative Energy Solutions Holdings Limited	8109	14/1/2016	5 for 2	55.56	26.38	2.00	No
China CBM Group Company Limited	8270	7/1/2016	3 for 1	80.34	50.70	3.50	No
QPL International Holdings Limited	243	7/1/2016	5 for 1	65.96	24.35	1.50	No
Kong Shum Union Property Management. (Holding) Ltd.	8181	3/12/2015	3 for 1	55.56	24.05	2.50	Yes
Deson Development International Holdings Ltd.	262	27/11/2015	1 for 2	40.70	31.90	3.50	No
Timeless Software Limited	8028	20/11/2015	1 for 5	39.39	35.06	2.00	Yes
Wealth Glory Holdings Limited	8269	9/11/2015	1 for 2	27.10	19.50	3.50	No
PPS International (Holdings) Limited	8201	6/11/2015	1 for 2	58.06	48.00	2.50	No
DTXS Silk Road Investment Holdings Company Limited (Formerly known as UDL Holdings Limited)	620	2/11/2015	2 for 5	6.06	4.32	0.00	Yes

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Company name	Stock code	Announcement date	Basis of entitlement	Discount/ (premium) of subscription price to the closing price on the last trading day prior to/on announcement date %	Discount/ (premium) of subscription price to the theoretical entitlement price based on the share price on the last trading day prior to/on announcement date %	Underwriting commission %	Excess application
Merry Garden Holdings Limited	1237	30/10/2015	1 for 2	29.80	9.80	1.00	No
Shihua Development Company Limited	485	7/10/2015	4 for 1	82.52	48.56	2.00	No
Ausnutria Dairy Corporation Ltd (Note)	1717	28/10/2015	1 for 10	(6.28)	(5.77)	0.00	Yes
Zhi Cheng Holdings Limited	8130	2/10/2015	1 for 2	77.78	70.00	4.00	No
eForce Holdings Limited	943	16/9/2015	4 for 1	61.60	24.30	3.00	Yes
China Investment and Finance Group Limited	1226	9/9/2015	8 for 1	64.79	16.94	1.50	No
SEEC Media Group Limited	205	9/9/2015	5 for 1	67.95	25.93	2.00	No
Kingwell Group Limited	1195	8/9/2015	1 for 9	46.67	44.06	3	No
Flying Financial Service Holdings Limited	8030	7/9/2015	1 for 2	48.05	38.18	2.50	Yes
Megalogic Technology Holdings Limited	8242	1/9/2015	3 for 1	29.82	9.50	3.00	No
Legend Strategy International Holdings Group Company Limited	1355	28/8/2015	1 for 4	36.51	31.62	1.50	No
Maximum (Note)				82.52	70.00	4.00	
Minimum (Note)				1.30	1.10	0.00	
Average (Note)				48.53	29.75	2.39	
The Company	58	26/2/2016	3 for 2	55.56	33.33	2.50	

Source: the Stock Exchange (www.hkex.com.hk)

Note:

This company has been excluded from our calculation of maximum, minimum and average of discount of subscription price as its subscription price under its open offer represented a premium over the closing price per share and the ex-entitlements price per share based on the last trading date on announcement date which we consider is extraordinary and not relevant for comparison.

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Subscription price

As shown in the table above, the discounts represented by the subscription prices to the closing prices of the shares of the Comparables on their respective last trading days prior to/on the announcement dates in relation to respective open offer ranged from approximately 1.30% to approximately 82.52%, with an average of 48.53%. The discount of approximately 55.56% represented by the Subscription Price to the closing price of the Shares on the Last Trading Date is higher than the Comparables average of 48.53%, nevertheless, it still falls within the range of the Comparables.

The discount represented by the subscription price to the theoretical ex-entitlement prices of the shares of the Comparables based on the share price on the last trading day prior to/on the announcement dates in relation to respective open offer ranged from approximately 1.10% to approximately 70.00%, with an average of approximately 29.75%. The discount of approximately 33.33% represented by the Subscription Price to the theoretical ex-entitlement prices of the Shares is higher than the Comparables average, but still falls within the range of the Comparables.

Having taken into account that the discounts represented by the Subscription Price both to the closing price of the Share on the Last Trading Date and to the theoretical ex-entitlement prices fall within the ranges of the Comparables; and all Qualifying Shareholders are offered an equal opportunity to subscribe for the Offer Shares, we consider that the Subscription price is fair and reasonable so far as the Independent Shareholders are concerned.

No application for excess Offer Shares

As disclosed in the Letter from the Board, no Offer Shares will be offered to the Qualifying Shareholders in excess of their respective entitlements under the Open Offer as all the Qualifying Shareholders are given equal and fair opportunity to maintain their respective pro rata shareholding interest in the Company and additional effort costs will be incurred to administer the excess application procedures. The Board estimates that an additional cost of approximately HK\$200,000 will have to be put in for the administration of the excess application procedure (including preparing and arranging the excess application, reviewing the relevant documents, liaising with professional parties and printing of application forms, etc.) and considers that such additional administrative efforts and cost would outweigh the benefits of the Shareholders' rights for the excess application and therefore not cost-effective. Given the current loss-making position of the Group, the Board considers that it is important for the Group to minimise all costs which may be incurred during the fund raising exercise. The absence of excess application will prevent such procedures from being abused by Shareholders holding small amount of Shares applying for a large amount of Offer Shares through excess application. Any Offer Shares not taken up by the Qualifying Shareholders will be subscribed by the Underwriter and/or by other subscribers procured by the Underwriter.

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The absence of the excess application arrangement may not be desirable from the point of view of those Qualifying Shareholders who wish to take up additional Offer Shares in excess of their assured entitlements. However, the aforesaid should be balanced against the facts that (i) the Subscription Price is set at a discount to the prevailing market price of the Shares which provides reasonable incentives to all the Qualifying Shareholders who are positive about the future development of the Company to take up their respective assured entitlement of the Offer Shares and participate in the Open Offer; (ii) all the Qualifying Shareholders have the first right to decide whether to accept the Open Offer; (iii) the absence of excess application would avoid additional effort and costs to administer the excess application procedures; and (iv) the absence of excess application arrangement for the Offer Shares is subject to approval by the Independent Shareholders at the SGM.

Having considered the fact that (i) the Subscription Price is set at a deep discount to the prevailing market price of the Shares which provides incentives to all the Qualifying Shareholders to participate in the Open Offer; (ii) all the Qualifying Shareholders have the first right to decide whether to take up their assured entitlements or not; (iii) additional effort and cost for the administrative procedures will be saved in the absence of excess application; and (iv) absence of excess application is in line with the general market practice given that 17 out of 24 Comparables had no excess application mechanism for their proposed open offers, representing more than 70% of the Comparables, we are of the opinion and concur with the Directors that the absence of excess application under the Open Offer is fair and reasonable so far as the Independent Shareholders are concerned.

Underwriting commission

As disclosed in the Letter from the Board, the Offer Shares not taken up by the Qualifying Shareholders under the Open Offer will be subscribed by the Underwriter and/or by other subscribers procured by the Underwriter, the Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares, being 2,200,208,949 Offer Shares.

As shown in the table above, the underwriting commission of the Comparables ranged from zero to 4.00% with an average of 2.39%. Given that the underwriting commission of 2.5% falls within the range of the Comparables and is close to the market average, we are of the opinion that the underwriting commission paid to the Underwriter is in line with the normal market practice and is therefore fair and reasonable.

Risk associated with the Open Offer

Shareholders and potential investors should note that the Open Offer is conditional upon, amongst other things, the fulfilment of the conditions set out under the section headed "Conditions of the Open Offer" in the Letter from the Board and the Capital Reorganisation becoming effective. In particular, the Open Offer is subject to the Underwriting Agreement becoming unconditional and the

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Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof as set out in the paragraph headed "Rescission and Termination of the Underwriting Agreement" in the Letter from the Board. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they in any doubt about their positions, they should consult their own professional advisers.

V. Possible financial effects of the issue of the Open Offer

(a) *Net tangible assets*

According to the unaudited pro forma financial information of the Group set out in Appendix II of the Circular, the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 amounted to approximately HK\$198,612,000. Upon completion of the Open Offer, such amount will increase by the estimated net proceeds from the Open Offer of approximately HK\$202,751,000 to approximately HK\$401,363,000.

(b) *Working capital*

According to the 2015 Interim Report, the Group had cash and bank balances of approximately HK\$47.27 million as at 30 June 2015. Immediately upon completion of the Open Offer, the cash and bank balances of the Group will increase by an amount equivalent to the net proceeds of the Open Offer of approximately HK\$202,751,000. We are of the view that the working capital position of the Group will be strengthened.

It should be noted that the abovementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Company will be upon completion of the Open Offer.

VI. Possible dilution to the shareholdings of the Shareholders

All the Qualifying Shareholders are entitled to subscribe for the Offer Shares on the same basis. As illustrated in the section headed "Shareholding structure of the Company" set out in the Letter from the Board, we note that the shareholding interests of the Qualifying Shareholders who elect to take up their respective entitlements under the Open Offer will remain unchanged upon the completion of the Open Offer, however, the shareholding interests of the Qualifying Shareholders who do not take up their respective entitlement under the Open Offer will be diluted upon the completion of the Open Offer up to a maximum of 60%.

Taken into consideration that (i) the Open Offer is on the basis that all Qualifying Shareholders have been offered equal opportunity to maintain their proportional shareholding and participate in the capital base enlargement of the Company; (ii) the inherent dilutive nature is general for all cases of open offers; and (iii) the positive financial effect as a result of the Open Offer as detailed in the section "Possible financial

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effects of the Open Offer” above, we are of the opinion that the potential dilution effect on the shareholding for the Qualifying Shareholders who decide not to accept the Open Offer is justifiable.

RECOMMENDATION

Having considered the above mentioned principal factors and reasons, we are of the opinion that the Open Offer are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we would recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the upcoming SGM to approve the Open Offer.

Yours faithfully,
For and on behalf of
INCU Corporate Finance Limited
Gina Leung
Managing Director

Ms. Gina Leung is a licensed person registered with the SFC and a responsible officer of INCU Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1. THREE-YEAR FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the year ended 30 September 2012 and year ended 30 September 2013, fifteen months ended 31 December 2014 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015, including the notes thereto, are disclosed on pages 21 to 83 of the Annual Report 2012 published on 24 January 2013, pages 21 to 79 of the Annual Report 2013 published on 20 January 2014, pages 24 to 111 of the Annual Report 2014 published on 29 April 2015 and pages 4 to 32 of the Interim Report 2015 published on 24 September 2015, respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.irasia.com/listco/hk/sunway/index.htm>).

Please refer to the hyperlinks as stated below:

Annual Report 2012:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0124/LTN20130124161.pdf>

Annual Report 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0120/LTN20140120294.pdf>

Annual Report 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN20150429969.pdf>

Interim Report 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0924/LTN20150924270.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 January 2016, being latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of HK\$49,118,000 comprising (i) secured bank borrowings HK\$44,470,000 and (ii) amount due to a non-controlling shareholder of HK\$1,242,000.

The secured bank borrowings were secured by:

- (i) Certain leasehold and buildings of HK\$16,439,000;
- (ii) Certain prepaid land lease payments of HK\$24,949,000;
- (iii) Certain plant and machinery of HK\$6,531,000;
- (iv) Pledged bank deposits of HK\$1,296,000;
- (v) Certain buildings held by a related company of a subsidiary;

- (vi) Personal guarantee executed by a subsidiary's directors and shareholders; and
- (vii) Corporate guarantee executed by related companies of a subsidiary.

The amount due to a non-controlling shareholder is unsecured, interest free and repayable on demand.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdraft, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance creditors, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured guarantees or other material contingent liabilities at the close of business of 31 January 2016.

The directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business of 31 January 2016 up to and including the Latest Practicable Date except for the litigation proceedings filed by a holder of the Company's convertible notes against the Company on 3 February 2016 as set out in note 6(c) in the section headed "Litigation" in Appendix IV to this circular.

For the purpose of the above statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 January 2016.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the Group's internal resources, cash flow from the operations, the available the effect of the Open Offer, the Group will have sufficient working capital to satisfy its present requirements that is, for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

Reference is made to the circular of the Company dated 12 January 2015 and the announcement of the Company dated 30 January 2015 in relation to, among other things, the very substantial disposal (the "VSD"). On 30 January 2015, as all the conditions precedent of the VSD under the sale and purchase agreement had been fulfilled, the VSD was completed. Upon completion, the Group ceased to be engaged in design, development, manufacture and sale of a wide range of electronics and related components and parts (including principally quartz crystals, liquid crystal displays, printed circuit boards and watch movements); and consumer electronic products (including principally electronic calculators, telecommunication phones, electronic watches and clocks and digital products).

As disclosed in the announcement of the Company dated 7 January 2016, the operation of a factory located in Zhuhai City, PRC, which is owned by Zhuhai Hoston Special Materials Co., Limited (“**Zhuhai Hoston**”) (an indirectly owned subsidiary of the Company), had been suspended since 1 January 2016. Zhuhai Hoston has been adversely affected by the business interruption arising from the litigations as disclosed in the announcements of the Company dated 14 May 2015, 5 June 2015, 6 August 2015, 14 October 2015 and 7 January 2016 and the non-recoverable prepayments and other receivables of approximately HK\$43 million due from certain suppliers of Zhuhai Hoston as disclosed in the Annual Report 2014.

Save as disclosed above, 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 2014, the date to which the latest published audited financial statements of the Group were made up.

5. **BUSINESSES ACQUIRED AFTER 31 DECEMBER 2014**

References are made the voluntary announcements of the Company dated 11 December 2015 and 4 March 2016 (the “**Voluntary Announcements**”).

A sale and purchase agreement dated 10 December 2015 was entered into amongst the Top Margin Group Limited (a wholly owned subsidiary of the Company) as the purchaser, Ark One (Cayman) Limited as the vendor and Mr. Lee Kar Ming Kenneth (the sole shareholder of the Vendor) as the guarantor in relation to the sale and purchase of the entire issued share capital of Ark One Limited (the “**Ark One**”) at a consideration of HK\$5,000,000 plus the balance remaining in the bank account of Ark One as at the completion date as shown in the accounts of Ark One. Ark One is a company principally engaged in Type 9 regulated activities (asset management) under the SFO.

A sale and purchase agreement dated 4 March 2016 was entered into between Lucky Digit Holdings Limited (a wholly owned subsidiary of the Company) as the purchaser and Mr. Chan Hung Ming as the vendor in relation to the sale and purchase of the entire issued share capital of Grand Silver Securities Limited (“**Grand Sliver**”) at a consideration of HK\$6,800,000 plus the net assets value of the Grand Sliver as at 31 January 2016 as shown in the management accounts (the “**Management Accounts**”) of Grand Sliver subject to completion accounts (after deducting the amount outstanding and owned by Mr. Chan Hung Ming to Grand Sliver as disclosed in the Management Accounts or in the completion accounts of Grand Sliver, whichever is higher). Grand Silver is a company principally engaged in Type 1 regulated activities (dealing in securities) under the SFO.

The completions of the above transactions are subject to the conditions precedent as disclosed in the Voluntary Announcements and may or may not materialise. As at the Latest Practicable Date, the above transactions have not completed.

Save as disclosed above, no business (which would be consolidated into the financial statements of the Group) was acquired, agreed to be acquired or proposed to be acquired by the Group after 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Reference is made to the announcement of the Company dated 7 January 2016 in relation to the temporary suspension of operation of a factory in Zhuhai (“**Zhuhai Factory**”) which is owned by Zhuhai Hoston Special Materials Co., Limited, a subsidiary of the Company. In view of the present underutilisation of the capacity of Zhuhai Factory and the business interruption as a result of the litigations as disclosed in various announcements of the Company dated 14 May 2015, 5 June 2015, 6 August 2015, 14 October 2015 and 7 January 2016 and the non-recoverable prepayments and other receivables of approximately HK\$43 million due from certain suppliers of Zhuhai Hoston as disclosed in the Annual Report 2014, the suspension of operation could minimize the operating costs as a whole. Accordingly, the Board decided to suspend the operation of Zhuhai Factory until further notice and expected that there will not have further substantial adverse impact on the overall operations of the Group. Notwithstanding the suspension of operation of Zhuhai Factory, the remaining business activities of the Group have been conducted as usual and have remained profitable.

In view of the current business environment of construction industries in Guangdong region, the Board plans to maintain the existing scale of operation for construction materials business. The management continues to closely monitor its existing business from time to time and adopt timely and appropriate measures to improve the business operation and financial position of the Group.

Looking ahead, the Group intends to diversify its business into the financial services industry and other profitable industries, in order to provide returns and enhance value for the Shareholders and broaden revenue sources of the Group. This includes:

- (i) the proposed acquisitions of Ark One and Grand Silver, companies which are principally engaged in Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO as mentioned in this Appendix;
- (ii) on 11 February 2016, Sunway Financial Management Limited, a wholly-owned subsidiary of the Company, has obtained a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). As at the Latest Practicable Date, the Company has not yet commenced the money lending business; and
- (iii) on 24 February 2016, the Group entered into a memorandum of understanding for the possible acquisition to expand into the businesses of car rental, car finance and investment, car sale, car repair and car insurance in PRC.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION TO THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed Open Offer on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Open Offer had taken place on 30 June 2015.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company derived from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015, as extracted from the published interim report of the Company for the six months ended 30 June 2015, after incorporating the adjustment described in the accompanying notes.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, and based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Open Offer actually been completed as at 30 June 2015 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 <i>HK\$'000</i> <i>(Note 2)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Open Offer <i>HK\$'000</i>
Based on 2,618,641,947 Offer Shares to be issued at the Subscription Price of HK\$0.08 per Offer Share	198,612	202,751	401,363

HK\$

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2015 before the completion of the Open Offer (*Note 4*) 0.14

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2015 immediately after the completion of the Open Offer (*Note 5*) 0.10

Notes:

1. Based on 1,745,761,299 Shares in issue as at Last Practicable Date, upon completion of the Open Offer, 2,618,641,947 Offer Shares will be issued (assuming the outstanding convertible notes of the Company as at 30 June 2015 are void and not capable of converting into Shares) on the basis of three Offer Shares for every two Shares in issue as at the Latest Practicable Date.

The 1,745,761,299 Shares represents to 1,454,801,299 Shares in issue as at 30 June 2015 after adjusting for the 290,960,000 Shares issued at the placing price of HK\$0.335 per placing share on 28 July 2015. Details of the Placing Share are set out in announcement of the Company dated 28 July 2015.

2. The unaudited consolidated net tangible assets attributable to the owners of the Company as at 30 June 2015 of approximately HK\$198,612,000 represents the net assets attributable to owners of the Company of approximately HK\$283,091,000 deducting intangible assets of HK\$58,000 and goodwill of the Company of approximately HK\$84,421,000, as extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015 which is set out on Appendix I of this circular.
3. The estimated net proceeds from the Open Offer of approximately HK\$202,751,000 are based on 2,618,641,947 Offer Shares to be issued (assuming the outstanding convertible notes of the Company as at 30 June 2015 are void and not capable of converting into Shares) at the Subscription Price of HK\$0.08 per Offer Share and after deduction of estimated related expenses, including among others, financial advisory fee and other professional fees, which are directly attributable to the Open Offer, of approximately HK\$6,740,000.
4. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2015 before the completion of the Open Offer is determined based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 of approximately HK\$198,612,000 as disclosed in note 2 above, divided by 1,454,801,299 Shares in issue as at 30 June 2015.
5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2015 immediately after the completion of the Open Offer is determined based on the unaudited pro forma adjusted consolidated tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Open Offer of approximately HK\$401,363,000, divided by 4,073,443,246 Shares, which represents 1,454,801,299 Shares in issue as at 30 June 2015 and 2,618,641,947 Offer Shares to be issued (assuming the outstanding convertible notes of the Company as at 30 June 2015 are void and not capable of converting into shares) under the Open Offer as if the Open Offer had been completed on 30 June 2015.

6. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share has not take into account net proceeds from placing of new Shares of approximately HK\$94,826,000, comprising net proceeds from placing of 290,960,000 new Shares under general mandate at HK\$0.335 per Share of approximately HK\$97,472,000 after deduction of commission and other related expenses of approximately HK\$2,646,000 which was completed on 28 July 2015. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share would have been increased to HK\$0.11 per Share after taking into account the completion of the aforesaid placing of new Shares, based on approximately HK\$496,189,000 divided by 4,364,403,246, comprising 1,454,801,299 Shares in issue as at 30 June 2015, 290,960,000 Shares from the aforesaid placing of new Shares and 2,618,641,947 Offer Shares as if the aforesaid placing new shares and the Open Offer had been completed on 30 June 2015.
7. No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2015.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report from the reporting accountants, Moore Stephens CPA Limited, Certificated Public Accountants, Hong Kong, in connection with the unaudited pro forma financial information of adjusted consolidated net tangible assets of the Group attributable to owners of the Group for the purpose of inclusion in this circular.

TO THE DIRECTORS OF SUNWAY INTERNATIONAL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sunway International Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 and related notes as set up on pages II-1 to II-3 of the circular issued by the Company dated 23 March 2016 (the “**Circular**”) in connection with the proposed open offer on the basis of three offer shares for every two new shares held on the record date at the subscription price of HK\$0.08 per offer share (the “**Open Offer**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on page II-1 to II-3 of the Circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed Open Offer on the Group’s financial position as at 30 June 2015 as if the Open Offer had taken place at 30 June 2015. As part of this process, information about the Group’s consolidated net tangible assets attributable to the owners of the Company as at 30 June 2015 has been extracted by the directors from the Company’s published interim report for the six months ended 30 June 2015, on which no review report has been published.

Directors’ Responsibility for the unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Open Offer at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a. the unaudited pro forma financial information has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore Stephens CPA Limited

Certified Public Accountants

Chan King Keung

Practising Certificate Number: P06057

Hong Kong, 23 March 2016

With effect from 10 June 2015, Mr. Huang Weidong (“**Mr. Huang**”) has been appointed as an executive Director, Chairman of the Board and chairman of the Nomination Committee of the Board and member of the Remuneration Committee of the Board.

With effect from 14 August 2015, Mr. Cong Yongjian (“**Mr. Cong**”) has been appointed as an independent non-executive Director and member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Board.

With effect from 23 October 2015, (a) each of Mr. Li Chongyang (“**Mr. Li**”) and Ms. Qi Jiao (“**Ms. Qi**”) has been appointed as an executive Director; (b) each of Ms. Deng Chunmei (“**Ms. Deng**”) and Mr. Liu Chenli (“**Mr. Liu**”) has been appointed as an independent non-executive Director and member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Board; and (c) Mr. Lam Kai Yeung (“**Mr. Lam**”) has been appointed as an independent non-executive Director, chairman of both the Audit Committee and Remuneration Committee of the Board and a member of the Nomination Committee of the Board.

The biographical details of each of the retiring Directors, Mr. Huang, Mr. Li, Ms. Qi, Mr. Cong, Ms. Deng, Mr. Lam and Mr. Liu who are eligible for re-election at the SGM, are set out below:

EXECUTIVE DIRECTORS

Mr. Huang

Mr. Huang, aged 48, is an executive Director and Chairman of the Board. Mr. Huang graduated from Xiamen University with an Executive Master of Business Administration in 2013. Mr. Huang has been the chairman of the board of directors of Fujian Dongying Water & Electricity Construction Company Limited (福建東盈水電建設有限公司) in PRC since 2003. Mr. Huang has extensive experience in corporate management. Mr. Huang is the brother-in-law of Ms. Xie Guilin, an ultimate beneficial owner of Business Century, a Substantial Shareholder of the Company.

As at the Latest Practicable Date, save as disclosed above, Mr. Huang: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Mr. Huang has entered into a service agreement with the Company on 10 June 2015 regarding his appointment as an executive Director for an initial fixed period of three years from 10 June 2015. The service agreement was supplemented in December 2015. Under the service agreement (as supplemented), Mr. Huang is entitled to a remuneration of HK\$58,000 per month which is determined by the Board with reference to the duties and responsibilities as well as prevailing market rates; and Mr. Huang is also entitled to a housing allowance of not exceeding HK\$40,000 per month.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Huang that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Li

Mr. Li, aged 44, is an executive Director. Mr. Li graduated from Shanghai Maritime University (formerly known as 上海海運學院 (Shanghai Maritime Institute)) majoring in International Maritime and International Economics Law. Mr. Li has over 20 years of experience in corporate management and logistics management. Before joining the Company, Mr. Li was the vice president of shipping companies in Hong Kong and Singapore. Mr. Li was an executive Director from 19 May 2015 to 4 June 2015. As at the Latest Practicable Date, Mr. Li was beneficially interested in 5,000,000 Shares.

As at the Latest Practicable Date, save as disclosed above, Mr. Li: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Mr. Li has entered into a service agreement with the Company on 23 October 2015 regarding his appointment as an executive Director for an initial fixed period of three years from 23 October 2015. Under the service agreement (as supplemented), Mr. Li is entitled to a remuneration of HK\$48,000 per month which is determined by the Board with reference to the duties and responsibilities as well as prevailing market rates. Mr. Li is also entitled to a housing allowance of not exceeding HK\$30,000 per month and an education allowance by reimbursing the tuition fee in full.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Li that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Ms. Qi

Ms. Qi, aged 25, is an executive Director. Ms. Qi completed her studies of Hospitality Administration and Business Management in Singapore in 2012. She worked as marketing director in corporations in PRC from 2013 to April 2015 and is experienced in marketing and strategic planning. Ms. Qi was an executive Director from 20 May 2015 to 4 June 2015.

As at the Latest Practicable Date, save as disclosed above, Ms. Qi: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Ms. Qi has entered into a service agreement with the Company on 23 October 2015 regarding her appointment as an executive Director for an initial fixed period of three years from 23 October 2015. Under the service agreement, Ms. Qi is entitled to a remuneration of HK\$48,000 per month which is determined by the Board with reference to the duties and responsibilities as well as prevailing market rates.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Ms. Qi that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cong

Mr. Cong, aged 41, is an independent non-executive Director. Mr. Cong received a degree of Master of Laws from the University of International Business and Economics in PRC as well as a degree of Master of Laws from Cornell University in the USA respectively. He is a trained attorney admitted in PRC and New York, the United States of America. He has over 15 years of legal practice experience representing in-house clients on various investment related issues. Mr. Cong was a founding member of China Development Bank International Holdings Ltd (“CDBI”), where he served on the Investment Committee, also was in charge of fund formation department and legal/risk management department. At CDBI, he led a number of high profile transactions, i.e., US\$200 million equity investment to Alibaba Group as well as many privatization transactions.

Prior to joining CDBI, Mr. Cong was with J.P. Morgan and Standard Chartered, where he participated in a large number of merger and acquisitions transactions, private equity investments, real estate investments, mezzanine financings, and other special situations investments. Mr. Cong has substantial experience in investment and risk management. As at the Latest Practicable Date, Mr. Cong was beneficially interested in 300,000 Shares.

As at the Latest Practicable Date, save as disclosed above, Mr. Cong: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Mr. Cong has entered into a letter of appointment with the Company on 14 August 2015 and is not appointed for a specific length or proposed length of service. His appointment will be subjected to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the memorandum of association of the Company and the Bye-laws. Mr. Cong is entitled to receive a director's remuneration of HK\$20,000 per month which is determined by the Board with reference to his duties and responsibilities as well as prevailing market rates.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Cong that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Ms. Deng

Ms. Deng, aged 32, is an independent non-executive Director. Ms. Deng graduated from Xihua University in PRC, majoring in Computer Science and Technology, in 2007. She has over 8 years of experience in human resources management and information technology management in a PRC corporation. Ms. Deng was an independent non-executive Director from 29 May 2015 to 4 June 2015.

Ms. Deng, is an independent non-executive director of Yueshou Environmental Holdings Limited (stock code: 1191), a company listed on the Main Board of the Stock Exchange, since 19 September 2014.

As at the Latest Practicable Date, save as disclosed above, Ms. Deng: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Ms. Deng has entered into a letter of appointment with the Company on 23 October 2015 and is not appointed for a specific length or proposed length of service. Her appointment will be subjected to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the memorandum of association of the Company and the Bye-laws. Ms. Deng is entitled to receive a director's remuneration of HK\$20,000 per month which is determined by the Board with reference to her duties and responsibilities as well as prevailing market rates.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Ms. Deng that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Lam

Mr. Lam, aged 46, is an independent non-executive Director. Mr. Lam is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Lam obtained a bachelor degree of accounting from Xiamen University in July 1990 and a master degree in business administration from Oxford Brookes University in the United Kingdom in July 2010. Mr. Lam is a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under SFO. Mr. Lam was an independent non-executive Director from 20 May 2015 to 4 June 2015.

Mr. Lam was the company secretary and qualified accountant of Hunan Nonferrous Metals Corporation Limited (stock code: 2626), a company listed on the Main Board of the Stock Exchange and had delisted from the Stock Exchange in March 2015, from July 2006 to August 2013. Mr. Lam has been an independent non-executive director of Northeast Tiger Pharmaceutical Company Limited (stock code: 8197), a company listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange, from August 2008 to June 2015; an non-executive director of Ping Shan Tea Group Limited (stock code: 364), a company listed on Main Board of the Stock Exchange from December 2014 to May 2015.

Mr. Lam is an independent non-executive director of Silverman Holdings Limited (stock code: 1616), a company listed on the Main Board of the Stock Exchange, since June 2012; an independent non-executive director of Highlight China IoT International Limited (formerly known as Ford Glory Group Holdings Limited) (stock code: 1682), a company listed on the Main Board of the Stock Exchange, since August 2014; an independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018), a company listed on the GEM of the Stock Exchange, since June 2015; an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company listed on the GEM of the Stock Exchange, since October 2015; and an independent non-executive director of Holly Futures Co., Ltd. (Stock Code: 3678), a company listed on the Main Board of the Stock Exchange since June 2015.

As at the Latest Practicable Date, save as disclosed above, Mr. Lam: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Mr. Lam has entered into a letter of appointment with the Company on 23 October 2015 and is not appointed for a specific length or proposed length of service. His appointment will be subjected to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the memorandum of association of the Company and the Bye-laws. Mr. Lam is entitled to receive a director's remuneration of HK\$20,000 per month which is determined by the Board with reference to his duties and responsibilities as well as prevailing market rates.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Lam that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Liu

Mr. Liu, aged 35, graduated from the University of Hong Kong with a degree of Doctor of Philosophy in 2011. Mr. Liu is a Professor of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences and specialized in Synthetic Biology Engineering Research. Mr. Liu was an independent non-executive Director from 29 May 2015 to 4 June 2015.

As at the Latest Practicable Date, save as disclosed above, Mr. Liu: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not previously held any other major appointment or directorship in other listed company in the last three years; (3) was not connected with any Director, senior management, Substantial Shareholder or controlling shareholder of the Company; and (4) did not have any interest in any Shares within the meaning of Part XV of the SFO.

Mr. Liu has entered into a letter of appointment with the Company on 23 October 2015 and is not appointed for a specific length or proposed length of service. His appointment will be subjected to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the memorandum of association of the Company and the Bye-laws. Mr. Liu is entitled to receive a director's remuneration of HK\$20,000 per month which is determined by the Board with reference to his duties and responsibilities as well as prevailing market rates.

Save as disclosed above and in this circular of which this appendix forms part, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Liu that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, include 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. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately after the Capital Reorganisation but before completion of the Open Offer; and (c) immediately upon completion of the Open Offer are as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Existing Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid</i>		
<u>1,745,761,299</u>	Existing Shares	<u>174,576,129.90</u>

(b) Immediately after the Capital Reorganisation but before completion of the Open Offer

<i>Authorised:</i>		<i>HK\$</i>
<u>100,000,000,000</u>	New Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid</i>		
<u>1,745,761,299</u>	New Shares	<u>17,457,612.99</u>

(c) Immediately upon completion of the Open Offer

<i>Authorised:</i>		<i>HK\$</i>
<u>100,000,000,000</u>	New Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid or credited as fully paid</i>		
		<i>HK\$</i>
1,745,761,299	New Shares in issue as at the Latest Practicable Date	17,457,612.99
<u>2,618,641,947</u>	Offer Shares to be issued	<u>26,186,419.47</u>
<u>4,363,403,246</u>	New Shares in issue and fully paid immediately upon completion of the Open Offer	<u>43,634,032.46</u>

As at the Latest Practicable Date, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Save for the placing of 290,960,000 new Shares under the general mandate as disclosed in the announcement of the Company dated 10 July 2015, since 31 December 2014, the date on which the latest published audited accounts of the Group were made up, and up to the Latest Practicable Date, there had not been any new issue of shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

All Shares in issue rank pari passu in all respects with each other including rights to dividends, voting and return of capital.

The Offer Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors

(i) *Directors' interests in the Company*

As at the Latest Practicable Date, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its 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 interests and short positions which they were taken or deemed 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 maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers of the Listing Rules were as follows:

Name of Director	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held
Mr. Leung Chi Fai	Beneficial owner	1,700,000	0.10
Mr. Li Chongyang	Beneficial owner	5,000,000	0.29
Mr. Cong Yongjian	Beneficial owner	300,000	0.02

Note: The percentages are subject to rounding.

All interests stated above represent long positions.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its 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 interests and short positions which they were taken or deemed 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 maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Directors' interests in assets and contracts of the Company

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Group were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

(iii) Directors' service contracts

Mr. Leung Chi Fai has entered into a service agreement with the Company regarding his appointment as an executive Director for an initial term of three years commencing from 1 August 1999 which continues thereafter until terminated by not less than three months' notice in writing served by either party on the other. The Company has supplemented the service agreement with Mr. Leung Chi Fai in January 2016. Under the service agreement (as supplemented), Mr. Leung Chi Fai is entitled to a remuneration of HK\$120,000 per month which is determined by the Board with reference to the duties and responsibilities as well as prevailing market rates.

Other than the service agreement disclosed in this Appendix and the service agreements and letters of appointment disclosed in Appendix III — "Biographical Details of the Retiring Directors" to this Circular, as at the Latest Practicable Date, none of the Directors entered or proposed to enter into any service contract with the Company or any other member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(iv) Directors' interests in competing businesses

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the following persons (other than the Directors or chief executives of the Company) had interests or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name	Capacity	Number of Shares or underlying Shares held	Approximate % of interest held ^(Note 2)
Business Century ^(Note 1)	Beneficial owner	278,955,333	15.98
Ms. Xie ^(Note 1)	Interest in controlled corporation	278,955,333	15.98
Ms. Chu Yuet Wah ^(Note 3)	Interest in controlled corporation	2,200,208,949	50.41
Active Dynamic Limited ^(Note 3)	Interest in controlled corporation	2,200,208,949	50.41
Galaxy Sky Investments Limited ^(Note 3)	Interest in controlled corporation	2,200,208,949	50.41
Kingston Capital Asia Limited ^(Note 3)	Interest in controlled corporation	2,200,208,949	50.41
Kingston Financial Group Limited ^(Note 3)	Interest in controlled corporation	2,200,208,949	50.41
Underwriter ^(Note 3)	Others	2,200,208,949	50.41

Notes:

1. These 278,955,333 Shares are held by the Business Century, a company wholly-owned by Ms. Xie. Ms. Xie is the beneficial owner of the entire issued share capital of Business Century.
2. The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.
3. The Shares are the Offer Shares which the Underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. The Underwriter is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.
4. References are made to the announcements of the Company dated 23 June 2015, 26 October 2015 and 5 February 2016, respectively in respect of the convertible notes previously issued by the Company. As advised by the legal advisers to the Company, as far as the Company is concerned, all remaining convertible notes have become void and are not capable of converting into Shares.
5. The percentages are subject to rounding.

All interests stated above represent long positions.

Other than disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivative in respect of Shares.

4. CORPORATE INFORMATION

Board of Directors*Executive Directors*

Mr. Huang Weidong (*Chairman*)
Flat G, 46th Floor, Manhattan Height
28 Kennedy Town New Praya
Kennedy Town
Hong Kong

Mr. Leung Chi Fai
Flat F, 41st Floor, Block 4
Belvedere Garden Phase 3
625 Castle Peak Road
Tsuen Wan, New Territories
Hong Kong

Mr. Li Chongyang
Flat A, 11th Floor, Block 2
Academic Terrace
101 Pok Fu Lam Road
Pok Fu Lam
Hong Kong

Ms. Qi Jiao
5F, Block M, Swan Castle Phase
Overseas Chinese Town
Nanshan District, Shenzhen
PRC

Independent Non-executive Directors

Mr. Cong Yongjian
Flat 602 Discovery Bay Plaza
Discovery Bay
Hong Kong

Ms. Deng Chunmei
36B, Block 9, Greenfield Garden
Tsing Yi, New Territories
Hong Kong

Mr. Lam Kai Yeung
Flat 9 16th Floor, Hing Chung House
Mei Chun Court, Shatin
New Territories
Hong Kong

Mr. Liu Chenli
 1068 Xueyan Boulevard, University Town
 Xili, Shenzhen,
 518055
 PRC

Audit Committee

Mr. Lam Kai Yeung (*Committee Chairman*)
 Mr. Cong Yongjian
 Ms. Deng Chunmei
 Mr. Liu Chenli

Remuneration Committee

Mr. Lam Kai Yeung (*Committee Chairman*)
 Mr. Cong Yongjian
 Ms. Deng Chunmei
 Mr. Liu Chenli
 Mr. Huang Weidong
 Mr. Leung Chi Fai

Nomination Committee

Mr. Huang Weidong (*Committee Chairman*)
 Mr. Lam Kai Yeung
 Mr. Cong Yongjian
 Ms. Deng Chunmei
 Mr. Liu Chenli
 Mr. Leung Chi Fai

Registered office

Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

**Head Office and
 Principal place of
 business in Hong Kong**

Unit 1902
 Cheung Kong Center
 2 Queen's Road Central
 Central
 Hong Kong

Company secretary

Mr. Leung Chi Fai

**Authorised
 representatives**

Mr. Leung Chi Fai
 Mr. Li Chongyang

Legal Advisers to the Company	<p><i>As to Bermuda law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong</p> <p><i>As to Hong Kong law:</i> Angelo Ho & Associates Unit 1405, 14/F Tower 1, Admiralty Centre 18 Harcourt Road Hong Kong</p>
Hong Kong branch share registrar and transfer office	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
Principal Share Registrar	Codan Services Limited Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Auditors	Moore Stephens CPA Limited <i>Certified Public Accountants</i> 905 Slivercord, Tower 2 30 Canton Road, Tsim Sha Tsui Hong Kong
Principal Bankers	
<i>In Hong Kong:</i>	Bank of Communication Co., Ltd Hong Kong Branch G/F, 67-71 King's Road North Point Hong Kong
	Dah Sing Bank Limited 34/F, Dah Sing Financial Centre 108 Gloucester Road, Wanchai Hong Kong
	Industrial Bank Co., Ltd Hong Kong Branch 39/F, ICBC Tower, Citibank Plaza 3 Garden Road Central Hong Kong
Stock code	58
Website	http://www.irasia.com/listco/hk/sunway/index.htm

5. PARTIES INVOLVED IN THE OPEN OFFER

The Company	Sunway International Holdings Limited Unit 1902 Cheung Kong Center 2 Queen's Road Central Central Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
Financial adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	INCU Corporate Finance Limited Unit 1602, Tower 1 Silvercord 30 Canton Road Tsim Sha Tsui, Kowloon Hong Kong
Legal advisers to the Company	<i>As to Hong Kong Law:</i> Angela Ho & Associates Unit 1405, 14/F Tower 1, Admiralty Centre 18 Harcourt Road Hong Kong
Reporting Accountants	Moore Stephens CPA Limited <i>Certified Public Accountants</i> Unit 905, Tower 2 Silvercord 30 Canton Road Tsim Sha Tsui Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong

6. LITIGATION

As at the Latest Practicable Date, the Group was engaged in the following litigations:

- (a) Zhuhai Hoston Special Materials Co., Limited (“**Zhuhai Hoston**”), an indirectly owned subsidiary of the Company, had received the following civil rulings (the “**Rulings**”) in PRC:

Date of Rulings	Defendant (s)	Court	Details of Ruling against Zhuhai Hoston
29 September 2015	Zhuhai Hoston	廣東省珠海市金灣區人民法院 (Guangdong Zhuhai Jinwan People’s Court)*	(i) Payment of RMB1,069,741.10 plus breach penalty to 珠海港物流發展有限公司 (Zhuhai Port Logistic Development Co., Ltd)*, a supplier of Zhuhai Hoston, by Zhuhai Hoston; and (ii) Payment of legal costs of RMB14,442.00 by Zhuhai Hoston.
7 November 2015 and 23 November 2015	(i) Zhuhai Hoston (ii) 珠海市鑫鋒發展有限公司 (Zhuhai Xinfeng Development Co., Ltd.)* (iii) 王志寧 (Wang Zhining)* (iv) 楊健茹 (Yang Jianru)* (v) 王天 (Wang Tian)* (vi) 楊健麗 (Yang Jianli)* (vii) 李楊 (Li Yang)*	廣東省珠海市香洲區人民法院 (Guangdong Zhuhai Xiangzhou People’s Court)*	(i) Payment of RMB1,000,000.00 plus breach penalty to 珠海市中企業融資擔保有限公司 (Zhuhai Small & Medium Enterprises Financing Guarantee Co. Ltd)*, a company which provided financial assistance to Zhuhai Hoston; and (ii) Certain assets of Zhuhai Hoston (up to an amount of RMB8,700,000.00) were frozen for the period of 2 to 3 years.

* for identification purposes only

Date of Rulings	Defendant (s)	Court	Details of Ruling against Zhuhai Hoston
17 November 2015	Zhuhai Hoston	廣東省珠海市中级人民法院 (Guangdong Zhuhai Intermediate People's Court)*	(i) Payment of RMB1,830,130.48 plus breach penalty to 廣州市壹弘運輸有限公司 (Guangzhou Yihong Transportation Co., Ltd)*, a supplier of Zhuhai Hoston, by Zhuhai Hoston; and (ii) Payment of legal costs and preservation fee of RMB53,408.00 by Zhuhai Hoston
24 December 2015	Zhuhai Hoston	廣東省佛山市中级人民法院 (Guangdong Foshan Intermediate People's Court)*	(i) Payment of RMB491,252.02 plus breach penalty to 佛山市南海信通物資有限公司 (Foshan Nanhai Xintong Materials Co., Ltd)*, a supplier of Zhuhai Hoston; and (ii) Payment of RMB29,096.81 in respect of legal costs and property preservation fee by Zhuhai Hoston.

As the Latest Practicable Date, the Company was looking into the matter with the management of Zhuhai Hoston in relation to the Rulings.

- (b) By a general indorsed writ of summons dated 23 June 2015 (the “**23 June 2015 Legal Proceedings**”) and statement of claim dated 18 August 2015 issued by the Company and its wholly-owned subsidiary (collectively, the “**Plaintiffs**”) against Mr. Xiao Guang Kevin (蕭光) (“**Mr. Xiao**”) and Mr. Wang Zhining (王志寧), the vendor and the guarantor of a very substantial acquisition of the Company (“**VSA**”) as announced by the Company in its announcement dated 30 January 2014 and its circular dated 31 March 2014, (collectively, the “**Defendants**”), the Plaintiffs claim that the Defendants have fundamentally breached the terms and conditions of a sale and purchase agreement in relation to the VSA (the “**Agreement**”). Accordingly, the Plaintiffs are seeking to rescind the Agreement under which, as part of the consideration price, certain convertible notes were issued by the Company to Mr. Xiao (the “**Notes**”).

The Company is seeking advice from its legal adviser. In any event, the Board does not envisage that the Plaintiff's claims will have any material adverse impact to the financial performance and trading position of the Group.

* for identification purposes only

- (c) On 3 February 2016, an action was initiated by Ms. Liu Qian (劉倩) (“**Ms. Liu**”) against the Company as the defendant in the High Court of Hong Kong. Ms. Liu claims as the owner of certain Notes transferred by Mr. Xiao to her (“**Ms. Liu’s Notes**”), among other things: (i) HK\$25,000,000, being the difference between the market value of the Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to Ms. Liu’s Notes and the face value (based on the conversion price) of Ms. Liu’s Notes had the Company converted Ms. Qian’s Notes pursuant to the Ms. Liu’s request; and (ii) HK\$15,000,000, being the value of Ms. Liu’s Notes beneficially owned by Ms. Liu.

However, as Ms. Liu’s Notes are the subject matter in the 23 June 2015 Legal Proceedings, the Company believes it has grounds not to accede to the Ms. Liu’s requests pending the determination of the 23 June 2015 Legal Proceedings.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular:

- (a) An instrument dated 2 May 2014 executed by the Company by way of deed poll relating to convertible notes of principal amount of HK\$300,000,000 convertible into Shares issued to Xiao Guang Kevin (蕭光);
- (b) A 承付票 (promissory note*) dated 2 May 2014 executed by the Company in favour of Xiao Guang Kevin (蕭光), pursuant to which the Company unconditionally and irrevocably agrees to pay to Xiao Guang Kevin HK\$100,000,000;
- (c) A 稅項彌償保證契據 (deed of indemnity*) dated 2 May 2014 given by 蕭光 (Xiao Guang Kevin) and 王志寧 as the joint and several indemnifiers in favour of First Billion Global Limited (a direct wholly-owned subsidiary of the Company) and Joint Expert Global Limited (“**Joint Expert**”) (a wholly-owned subsidiary of the Company) in respect of any liability for taxation falling on Joint Expert and its subsidiaries;

* for identification purposes only

- (d) A 股東貸款轉讓契約 (deed of assignment*) dated 2 May 2014 entered into amongst Xiao Guang Kevin (蕭光) as the assignor, Joint Expert as the assignee and Royal Asia International Limited (泛亞國際有限公司) in relation to the assignment of the shareholders' loan of HK\$56,226,000;
- (e) An agreement dated 17 November 2014 (the "**Disposal Agreement**") entered into between the Company as the vendor and Feng Hao Holdings Limited ("**Feng Hao**") as the purchaser in relation to the sale and purchase of: (i) the entire issued share capital in Sunway International (BVI) Holdings Limited ("**Sunway BVI**") and Sunway International Investment Holdings Limited ("**Sunway Investment**"), both of which at the material time were direct wholly-owned subsidiaries of the Company (collectively, the "**Disposal Companies**"); and (ii) all amounts of the shareholder's loan owed by the Disposal Companies and their subsidiaries (the "**Disposal Group**") to the Company as at the completion of the Disposal Agreement, at an aggregate consideration of HK\$180,000,000.
- (f) A supplemental agreement to the Disposal Agreement dated 15 December 2014 entered into between the Company as the vendor and Feng Hao as the purchaser to supplement and amend certain terms of the Disposal Agreement, including but not limited to amending the aggregate consideration under the Disposal Agreement to HK\$300,000,000;
- (g) A placing agreement dated 10 July 2015 entered into between the Company and Kingston Securities Limited as the placing agent in relation to the placing of up to 290,960,000 new Shares of par value of HK\$0.10 each as placing shares at a placing price of HK\$0.335 per placing share under general mandate;
- (h) A sale and purchase agreement dated 10 December 2015 entered into among Top Margin Group Limited (a wholly owned subsidiary of the Company) as the purchaser, Ark One (Cayman) Limited as the vendor and Mr. Lee Kar Ming Kenneth (the sole shareholder of the Vendor) as the guarantor in relation to the sale and purchase of the entire issued share capital of Ark One Limited at a consideration of HK\$5,000,000 plus the balance remaining in the bank account of Ark One Limited as at the completion date as shown in the accounts of Ark One Limited;
- (i) A memorandum of understanding dated 24 February 2016 entered into between 劉金玲 (Liu Jinling*) and 黃彩雲 (Wang Caiyun*) as vendors (the "**Vendors**"), and Insight City Investments Limited ("**Insight City**"), a wholly-owned subsidiary of the Company as purchaser, pursuant to which (i) 鄭州車德利汽車服務有限公司 (Zhengzhou Chedeli Vehicle Services Company Limited*) together with its subsidiaries (the "**Target Group**") will undergo a corporate reorganisation whereby the Vendors will become the indirect owners of the Target Group through an investment holding company to be incorporated (the "**Holdco**"); and (ii) Insight City proposes to acquire the

* for identification purposes only

entire issued share capital of the Holdco at a consideration of not more than HK\$400 million in aggregate;

- (j) Ms. Xie's Undertakings;
- (k) The Underwriting Agreement;
- (l) The New Undertakings;
- (m) The Supplemental Underwriting Agreement;
- (n) A sale and purchase agreement dated 4 March 2016 entered into between Lucky Digit Holdings Limited (a wholly owned subsidiary of the Company) as the buyer and Mr. Chan Hung Ming as the seller (the "Seller") in relation to the sale and purchase of the entire issued share capital of Grand Silver Securities Limited (the "Target") at a consideration of HK\$6,800,000 plus the net assets value of the Target as at 31 January 2016 as shown in the management accounts (the "Management Accounts") of the Target subject to completion accounts (after deducting the amount outstanding and owed by the Seller to the Target as disclosed in the Management Accounts or in the completion accounts of the Target, whichever is higher);
- (o) The Second Supplemental Underwriting Agreement; and
- (p) The Second New Undertakings.

8. PARTICULARS OF DIRECTORS

Executive Directors

Mr. Huang Weidong ("Mr. Huang")

Mr. Huang, aged 48, graduated from Xiamen University with an Executive Master of Business Administration in 2013. Mr. Huang has been the chairman of the board of directors of Fujian Dongying Water & Electricity Construction Company Limited (福建東盈水電建設有限公司) in PRC since 2003. Mr. Huang has extensive experience in corporate management.

Mr. Leung Chi Fai ("Mr. Leung")

Mr. Leung, aged 49, is the Finance Director and the Company Secretary of the Group. He joined the Group since 1996 and is responsible for the finance, accounting and corporate secretarial functions. Mr. Leung is a Fellow Member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

As at the Latest Practicable Date, Mr. Leung is beneficially interested in 1,700,000 Shares.

Mr. Li Chongyang (“Mr. Li”)

Mr. Li, aged 44, graduated from Shanghai Maritime University (formerly known as 上海海運學院 (Shanghai Maritime Institute)) majoring in International Maritime and International Economics Law. Mr. Li has over 20 years of experience in corporate management and logistics management. Before joining the Company, Mr. Li was the vice president of shipping companies in Hong Kong and Singapore.

As at the Latest Practicable Date, Mr. Li was beneficially interested in 5,000,000 Shares.

Ms. Qi Jiao (“Ms. Qi”)

Ms. Qi, aged 25, has completed her studies of Hospitality Administration and Business Management in Singapore in 2012. She worked as marketing director in corporations in PRC from 2013 to April 2015 and is experienced in marketing and strategic planning.

Independent non-executive Directors*Mr. Cong Yongjian (“Mr. Cong”)*

Mr. Cong, aged 41, received a degree of Master of Laws from the University of International Business and Economics in PRC as well as a degree of Master of Laws from Cornell University in the USA respectively. He is a trained attorney admitted in PRC and New York, the USA. He has over 15 years of legal practice experience representing in-house clients on various investment related issues.

Mr. Cong was a founding member of China Development Bank International Holdings Ltd (“CDBI”), where he served on the Investment Committee, also was in charge of fund formation department and legal/risk management department. At CDBI, He led a number of high profile transactions, i.e., US\$200 million equity investment to Alibaba Group as well as many privatization transactions.

Prior to joining CDBI, Mr. Cong was with J.P. Morgan and Standard Chartered, where he participated in a large number of merger and acquisitions transactions, private equity investments, real estate investments, mezzanine financings, and other special situations investments. Mr. Cong has substantial experience in investment and risk management.

As at the Latest Practicable Date, Mr. Cong was beneficially interested in 300,000 Shares.

Ms. Deng Chunmei (“Ms. Deng”)

Ms. Deng, aged 32, graduated from Xihua University in PRC, majoring in Computer Science and Technology, in 2007. She has over 8 years of experience in human resource management and information technology management in a PRC corporation.

Ms. Deng, is an independent non-executive director of Yueshou Environmental Holdings Limited (stock code: 1191), a company listed on the Main Board of the Stock Exchange, since 19 September 2014.

Mr. Lam Kai Yeung (“Mr. Lam”)

Mr. Lam, aged 46, is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Lam obtained a bachelor degree of accounting from Xiamen University in July 1990 and a master degree in business administration from Oxford Brookes University in the United Kingdom in July 2010. Mr. Lam is a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under SFO.

Mr. Lam was the company secretary and qualified accountant of Hunan Nonferrous Metals Corporation Limited (stock code: 2626), a company listed on the Main Board of the Stock Exchange and had delisted from the Stock Exchange in March 2015, from July 2006 to August 2013. Mr. Lam has been an independent non-executive director of Northeast Tiger Pharmaceutical Company Limited (stock code: 8197), a company listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange, from August 2008 to June 2015; an non-executive director of Ping Shan Tea Group Limited (stock code: 364), a company listed on the Main Board of the Stock Exchange, from December 2014 to May 2015.

Mr. Lam is an independent non-executive director of Silverman Holdings Limited (stock code: 1616), a company listed on the Main Board of the Stock Exchange, since June 2012; an independent non-executive director of Highlight China IoT International Limited (formerly known as Ford Glory Group Holdings Limited) (stock code: 1682), a company listed on the Main Board of the Stock Exchange, since August 2014; an independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018), a company listed on the GEM of the Stock Exchange, since June 2015; an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company listed on the GEM of the Stock Exchange, since October 2015; and an independent non-executive Director of Holly Futures Co., Ltd. (Stock Code: 3678), a company listed on the Main Board of the Stock Exchange since June 2015.

Mr. Liu Chenli (“Mr. Liu”)

Mr. Liu, aged 35, graduated from the University of Hong Kong with a degree of Doctor of Philosophy in 2011. Mr. Liu is a Professor of Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences and specialized in Synthetic Biology Engineering Research.

9. MISCELLANEOUS

- (i) The business address of all Directors is Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong.
- (ii) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and having its head office and principal business of business in Hong Kong at Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong.
- (iii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (iv) As at the Latest Practicable Date, save for the Second New Undertakings, the Board had not received any information from any Shareholders of the Company of their intention to take up the Offer Shares to be provisionally allotted or offered to them under the Open Offer.
- (v) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

10. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice contained in this circular:

Name	Qualification
Moore Stephens CPA Limited	Certified Public Accountants
INCUB Corporate Finance Limited	Licensed corporation to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO

Each of Moore Stephens CPA Limited and INCUB has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of its report, letter and references to its name in the form and context in which they respectively appear.

Each of Moore Stephens CPA Limited and INCUB does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

Each of Moore Stephens CPA Limited and INCUB does not have or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Group were made up.

11. EXPENSES

The expenses in connection with the Capital Reorganisation and the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to amount to approximately HK\$6.74 million and are paid or payable by the Company.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 1902, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong during normal business hours on any weekday other than public holidays from the date of this circular, up to and including the Latest Time of Acceptance:

- (a) the memorandum of association of the Company and the Bye-Laws;
- (b) the material contracts referred to in the paragraph headed "Material Contracts" to this appendix;
- (c) the annual reports of the Company for the financial year ended 30 September 2012, the financial year ended 30 September 2013 and the fifteen months ended 31 December 2014;
- (d) the interim report of the Company for the six months ended 30 June 2015;
- (e) the letter from the Board, the text of which is set out on pages 12 to 38 to this circular;
- (f) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 39 to 40 of this circular;
- (g) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 41 to 60 of this circular;
- (h) the independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Group, the text of which is set out in Appendix IIB to this circular;
- (i) the written consents of the experts referred to in the section headed "Experts and Consents" in this appendix; and
- (j) this circular.



SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 58)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Sunway International Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Monday, 18 April 2016 at 1804B, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong or in the event that a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day, at the same time and place on the second Business Day (as defined in Note 1 below) after 18 April 2016 or any adjournment for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

SPECIAL RESOLUTION

1. **“THAT** subject to and conditional upon (i) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing, and permission to deal in, the New Shares (as defined below) and (ii) the compliance by the Company with the relevant procedures and requirements under the Companies Act 1981 of Bermuda and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation (as defined below), with effect from the next business day following the passing of this special resolution by the shareholders of the Company:
 - (a) the issued share capital of the Company be reduced by the cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued ordinary share of par value of HK\$0.10 (the “**Existing Shares**”) such that the nominal value of each Existing Share be reduced from HK\$0.10 to HK\$0.01 (the “**Capital Reduction**”);
 - (b) each of the authorised but unissued Existing Shares of HK\$0.10 each be subdivided into ten (10) ordinary shares of HK\$0.01 each (the “**New Share(s)**”) (the “**Share Sub-division**” together with the Capital Reduction, the “**Capital Reorganisation**”));
 - (c) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company and the directors of the Company be authorized to apply all or any amount from time to time

* for identification purposes only

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standing to the credit of the contributed surplus account of the Company in such manner as permitted under the laws of Bermuda and the bye-laws of the Company including, but not limited to, setting off against the accumulated losses of the Company; and

- (d) any Director be and is hereby authorised to do all such acts and things and to execute all documents as he considers necessary, desirable or expedient to give effect to the Capital Reorganisation and the transactions contemplated thereunder.”

ORDINARY RESOLUTIONS

2. “**THAT** subject to and conditional upon the passing of the special resolution no.1 as set out in this notice of the SGM, the Capital Reorganisation becoming effective and fulfillment of all the conditions precedent set out in the underwriting agreement dated 26 February 2016 and entered into between Kingston Securities Limited (the “**Underwriter**”) and the Company as supplemented and amended by the supplemental underwriting agreements dated 4 March 2016 and 14 March 2016, respectively entered into between the Underwriter and the Company (collectively, the “**Underwriting Agreement**”, copies of which have been produced to the SGM marked “A” and signed by the Chairman of the SGM for the purpose of identification):
- (a) the issue by way of an open offer (the “**Open Offer**”) of 2,618,641,947 New Shares of HK\$0.01 each in the share capital of the Company as offer shares (the “**Offer Shares**”) at the subscription price of HK\$0.08 per Offer Share (the “**Subscription Price**”) to the qualifying shareholders of the Company (the “**Qualifying Shareholders**”) in the proportion of three Offer Shares for every two New Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on Thursday, 28 April 2016 or such other date as may be agreed between the Company and the Underwriter (the “**Record Date**”), other than those shareholders of the Company whose addresses on the register of members of the Company are in a place outside Hong Kong on the Record Date where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them (the “**Non-Qualifying Shareholders**”) (including the absence of excess application) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified, and that the Open Offer shall not be extended to the Non-Qualifying Shareholders and their Offer Shares shall be taken up by the Underwriter, be and are hereby approved, confirmed and ratified;

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- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to allot and issue the Offer Shares pursuant to the Open Offer notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as they deem necessary, desirable or expedient to having regard to any restrictions or obligations under the bye-laws of the Company or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong;
- (c) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the Untaken Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified; and
- (d) any Director be and is hereby authorised to sign or execute such documents and do all acts and things in connection with the allotment and issue of the Offer Shares, the implementation of the Open Offer and the Underwriting Agreement, the exercise or enforcement of any of the Company’s rights under the Underwriting Agreement and to make and agree to make such variations of the terms of the Underwriting Agreement as he may in his discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders.”

3. “**THAT**

- (a) Mr. Huang Weidong be re-elected as executive Director;
- (b) Mr. Li Chongyang be re-elected as executive Director;
- (c) Ms. Qi Jiao be re-elected as executive Director;
- (d) Mr. Cong Yongjian be re-elected as independent non-executive Director;
- (e) Ms. Deng Chunmei be re-elected as independent non-executive Director;
- (f) Mr. Lam Kai Yeung be re-elected as independent non-executive Director;

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- (g) Mr. Liu Chenli be re-elected as independent non-executive Director; and
- (h) the board of Directors (the “**Board**”) be authorised to fix such Directors’ remuneration.”

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

Hong Kong, 23 March 2016

Notes:

1. Business Day means any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
4. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the SGM (or any adjournment thereof).
5. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the SGM and in such event, the instrument appoint a proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any shares of the Company, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint registered holders, and for this purpose seniority in respect of the joint holding shall be determined by the order in which the names stand in the register of members of the Company.
7. A form of proxy for use at the SGM is attached herewith.
8. Any voting at the SGM shall be taken by poll.
9. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other.

As at the date of this notice, the Board comprises four executive Directors, namely, Mr. Huang Weidong (Chairman), Mr. Leung Chi Fai and Mr. Li Chongyang and Ms. Qi Jiao, and four independent non-executive Directors, namely, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli.