



新威國際控股有限公司

SUNWAY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Director:

Mr. Law Chun Choi

Non-executive Director:

Mr. Lum Pak Sum

Independent non-executive Directors:

Mr. Choi Pun Lap

Mr. Yu Shui Sang Bernard

Mr. Wong Yue Kwan Alan

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

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

3/F, Mandarin Commercial House

38 Morrison Hill Road

Wanchai, Hong Kong

6 December 2024

To the Independent Shareholders and the Convertible Noteholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF
WEALTHY PORT HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
AND ALL OUTSTANDING CONVERTIBLE NOTES OF
SUNWAY INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement and the circular of the Company dated 30 October 2024 in relation to the subscription of new Shares under specific mandate in connection with the Share Subscription Agreement.

Upon the Share Subscription Completion and the CB Subscription Completion, the Offeror and parties acting in concert with it are interested in (i) 109,613,706 Shares, representing approximately 50.86% of the entire issued share capital of the Company as at the Latest Practicable Date; and (ii) the Convertible Bonds which are convertible into 300,000,000 new conversion Shares at the initial conversion price of HK\$0.10 per conversion Share.

Pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, upon the Share Subscription Completion, the Offeror and the parties acting in concert with it is required to make a mandatory unconditional general offer in cash for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company (other than those already owned or to be acquired by the Offeror and parties acting in concert with it).

Kingston Securities is making the Offers for and on behalf of the Offeror in accordance with the Takeovers Code. Details of the Offers are set out in the “Letter from Donvex Capital” of this Composite Document.

This letter sets out, among other things, the principal terms of the Offers, together with the information on the Offeror and the intention of the Offeror regarding the Group. Further details of the terms of the Offers and procedures of acceptance are also set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance. Your attention is also drawn to the letter from the Board as well as the letter from the Takeovers Code Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offers, as contained in this Composite Document.

The Independent Financial Adviser has been appointed by the Company pursuant to Rule 2.1 of the Takeovers Code and such appointment has been approved by the Takeovers Code Independent Board Committee to advise the Takeovers Code Independent Board Committee in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers.

The purpose of this Composite Document is to, among other things, (i) provide you with information relating to the Group and the Offers; (ii) set out the letter from the Takeovers Code Independent Board Committee containing its recommendation to the Independent Shareholders on the Share Offer and the Convertible Noteholders on the Convertible Notes Offer and as to

acceptance; and (iii) set out the letter from the Independent Financial Adviser containing its advice to the Takeovers Code Independent Board Committee in relation to the Offers and as to acceptance.

The Offer

Kingston Securities is making the Share Offer for and on behalf of the Offeror which is unconditional in all respects in compliance with the Takeovers Code on the following terms:

The Share Offer

For each Offer Share. HK\$0.10 in cash

The Offer Price of HK\$0.10 per Offer Share under the Share Offer is equal to the Share Subscription Price per Subscription Share paid by the Offeror under the Share Subscription Agreement.

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including without limitation, the right to receive all dividends and distributions declared, paid or made, if any, on or after the date on which the Share Offer is made, being the date of despatch of this Composite Document.

The Company confirms that, as at the Latest Practicable Date, (i) it has no outstanding dividend or other distribution which has been declared but not yet paid; and (ii) it does not have any intention to declare any dividend or other distributions during the Offer Period.

The Offeror will not increase the Share Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror do not reserve the right to increase the Share Offer Price.

The Convertible Notes Offer

For each HK\$1,000,000 face value of the Convertible Notes. HK\$10,929 in cash

The Convertible Notes will be acquired as fully-paid and free from all Encumbrances whatsoever and together with all rights now or hereafter attaching or accruing to them on or after the date on which the Convertible Notes Offer is made, being the date of despatch of this Composite Document.

As at the Latest Practicable Date, there are outstanding Convertible Notes in the principal amount of HK\$15,000,000 which carry rights to convert into 1,639,344 new conversion Shares (rounded down) in full based on the existing conversion price of HK\$9.15 per conversion share, and none of the Offeror and parties acting in concert with it has any interest in the Convertible Notes.

The proposed offer price of the Convertible Notes is HK\$10,929 for every HK\$1,000,000 nominal value of the Convertible Notes, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Notes, being the number of new Shares which the Convertible Notes could be convertible into (i.e. approximately 1,639,344 new conversion Shares) multiplied by the Share Offer Price of HK\$0.10 per Offer Share, valuing the total Convertible Notes Offer at approximately HK\$163,935.

The Convertible Notes Offer is made by the Offeror in compliance of Rule 13.1 of the Takeovers Code. The Company emphasises that any Convertible Notes Offer made shall not be made or construed to be prejudicial to the Company’s claims and/or counterclaims in any legal actions and procedures against the defendants in the SPA Legal Proceedings (as defined below). For details of the SPA Legal Proceedings, please refer to the section headed “7. Litigation” in Appendix III to this Composite Document.

The Offers are unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares or other conditions.

INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraphs headed “Information on the Offeror” in the “Letter from Donvex Capital” and Appendix IV “General Information of the Offeror” to this Composite Document.

INFORMATION ON THE GROUP

The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and eco-concrete products in the PRC. The products are sold to customers located in Yangjiang City and its surrounding cities in the Guangdong Province in the PRC.

Further financial information in relation to the Group is set out in the Appendix II to this Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) immediately prior to the Share Subscription Completion; (ii) immediately after the Share Subscription Completion and as at the Latest Practicable Date; (iii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds); and (iv) immediately after full conversion of the Convertible Bonds at the initial Conversion Price and the full conversion of the Convertible Notes (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds and Convertible Notes) are as follows:

	Immediately prior to the Share Subscription Completion		Immediately after the Share Subscription Completion and as at the Latest Practicable Date		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds)		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price and the full conversion of the Convertible Notes (assuming no changes to the number of issued Shares from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds and Convertible Notes)	
	Approximate % of issued		Approximate % of issued		Approximate % of issued		Approximate % of issued	
	Number of Shares	Shares (Note 6)	Number of Shares	Shares (Note 6)	Number of Shares	Shares (Note 6)	Number of Shares	Shares (Note 6)
The Offeror and parties acting in concert with it								
The Offeror (Note 1)	73,693,706	41.03%	109,613,706	50.86%	409,613,706	79.46%	409,613,706	79.20%
Other Shareholders								
Business Century Investments Limited (Note 2)	12,873,166	7.17%	12,873,166	5.97%	12,873,166	2.50%	12,873,166	2.49%
Everun Oil Co., Limited (Note 3)	17,316,200	9.64%	17,316,200	8.03%	17,316,200	3.36%	17,316,200	3.35%
The Convertible Noteholders	—	—	—	—	—	—	1,639,344	0.32%
Other public Shareholders	75,716,928	42.16%	75,716,928	35.14%	75,716,928	14.68%	75,716,928	14.64%
Total	179,600,000	100.00%	215,520,000	100.00%	515,520,000	100.00%	517,159,344	100.00%

Notes:

1. The 109,613,706 Shares are beneficially held by the Offeror. Pursuant to a sale and purchase agreement dated 6 September 2024 entered into between Mr. Chim and Mr. Chim Sai Yau Oscar, the entire issued shareholding in the Offeror was transferred from Mr. Chim Sai Yau Oscar to Mr. Chim on 6 September 2024. As Mr. Chim is the legal and beneficial owner of all issued shares of the Offeror as at the Latest Practicable Date, Mr. Chim is deemed to be interested in all the Shares held by the Subscriber by virtue of Part XV of the SFO. Mr. Chim Sai Yau Oscar, a grandchild of Mr. Chim, being a party acting in concert with Mr. Chim pursuant to a concert party agreement dated 6 September 2024 entered into between them, is also deemed to be interested in all the Shares held by the Subscriber by virtue of Part XV of the SFO.
2. The 12,873,166 Shares are beneficially held by Business Century Investments Limited. As Ms. Xie Guilin is the legal and beneficial owner of all issued shares of Business Century Investments Limited, Ms. Xie Guilin is deemed to be interested in all the Shares held by Business Century Investments Limited by virtue of Part XV of the SFO.
3. The 17,316,200 Shares are beneficially held by Everun Oil Co., Limited. As Mr. Chen Jingan is the legal and beneficial owner of all issued shares of Everun Oil Co., Limited, Mr. Chen Jingan is deemed to be interested in all the Shares held by Everun Oil Co., Limited by virtue of Part XV of the SFO.
4. This column is shown for illustration purposes only, under the terms of the Convertible Bonds, the exercise of the conversion rights attached to the Convertible Bonds shall not cause the Company to be unable to meet the public float requirements under the Listing Rules.
5. This column is shown for illustration purpose only. The Company emphasizes the illustration in the table above in relation to the full conversion of the Convertible Notes shall not be made or construed to be prejudicial to the Company's claims and/or counterclaims in any legal actions and procedures against the defendants of the SPA Legal Proceedings (as defined below). For details of the SPA Legal Proceedings, please refer to the section headed "7. Litigation" in Appendix III to this Composite Document.
6. Percentage figures may not add up to 100 per cent due to rounding.

As at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares or other relevant securities of the Company.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "Letter from Donvex Capital — Intention of the Offeror in relation to the Group" in this Composite Document.

The Board is aware of the Offeror's intentions in relation to the Group and its employees as set out in the section headed "Letter from Donvex Capital — Intention of the Offeror in relation to the Group" in this Composite Document. The Board is pleased to note that the Offeror intends to continue to run the existing principal business of the Group and the employment of the employees. The Board is willing to render reasonable co-operation with the Offeror and continue to act in the best interest of the Company and the Shareholders as a whole.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprises one executive Director, namely Mr. Law Chun Choi, one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Yu Shui Sang Bernard and Mr. Wong Yue Kwan Alan.

As disclosed in the “Letter from Donvex Capital”, The Offeror did not propose to nominate any new Directors to the Board. Mr. Chim will not become a Director after completion of the Offers. Meanwhile, the Offeror has no intention to make any change to the composition of the Board as at the Latest Practicable Date.

MAINTAINING THE LISTING STATUS OF THE COMPANY

As disclosed in the “Letter from Donvex Capital”, the Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offers.

The Stock Exchange has stated that if, at the closing of the Offers, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that:

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

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

As disclosed in the “Letter from Donvex Capital”, the Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that sufficient public float (i.e. not less than 25% of the issued Shares) exists in the Shares.

Takeovers Code Independent Board Committee and Independent Financial Adviser

The Takeovers Code Independent Board Committee which comprises all the non-executive Directors who have no direct or indirect interest in the Offers, comprising one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr.

Choi Pun Lap, Mr. Yu Shui Sang Bernard and Mr. Wong Yue Kwan Alan, has been established to advise the Independent Shareholders and the Convertible Noteholders in respect of the Offers as to whether the terms of the Offers are fair and reasonable and as to their acceptance.

The Independent Financial Adviser has been appointed by the Company pursuant to Rule 2.1 of the Takeovers Code and such appointment has been approved by the Takeovers Code Independent Board Committee to advise the Takeovers Code Independent Board Committee in respect of the Offers and in particular as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers.

Your attention is drawn to (i) the “Letter from the Takeovers Code Independent Board Committee” as set out on pages 31 to 33 of this Composite Document which contains its recommendations to the Independent Shareholders and the Convertible Noteholders as to whether the Offers are fair and reasonable and as to the acceptance of the Offers; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 34 to 70 of this Composite Document which contains its advice to the Takeovers Code Independent Board Committee in respect of the Offers and the principal factors considered by it in arriving at its advice.

Additional Information

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offers are set out in Appendix I “Further Terms and Procedures of Acceptance of the Offers” to this Composite Document and the accompanying Forms of Acceptance. You are also recommended to read carefully the Forms of Acceptance for further details in respect of the procedures for acceptance of the Offers.

By Order of the Board

SUNWAY INTERNATIONAL HOLDINGS LIMITED

A handwritten signature in blue ink, appearing to read "Law Chun Choi", is written over a large, irregular blue scribble that partially obscures the text.

Law Chun Choi

Executive Director and Company Secretary