



6 December 2024

To the Independent Shareholders and 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.

The Share Subscription and the CB Subscription

On 6 September 2024, the Company and the Offeror entered into the Share Subscription Agreement pursuant to which the Offeror has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares (i.e. a total of 35,920,000 Shares (representing approximately 16.67% of the entire issue share capital of the Company as at the Latest Practicable Date)) at the Share Subscription Price of HK\$0.10 per Subscription Share.

issued in favour of the vendor of the SPA (the “Vendor”) as part of the consideration of the SPA. As at the date of this Composite Document, the remaining Convertible Notes are held as to HK\$10 million legally and beneficially by the Vendor, and as to HK\$5 million by an independent third party on trust for the benefit of the Vendor. The Vendor’s entitlement to the Convertible Notes is subject to the Vendor’s due performance of the covenants, warranties and the terms and conditions under the SPA (the “CN Condition”). It is the Company’s case that the Vendor has fundamentally breached the CN Condition. According to a legal opinion dated 2 December 2019 given by the Company’s solicitors, Lam & Co., upon the fundamental breach of the SPA, it is open for the Company to argue that the CN Condition has failed and the outstanding Convertible Notes are void and have no effect. High court action has been commenced by the Company to seek to rescind the SPA and to declare that the Convertible Notes to be null, void and have no effect. As at the date of this Composite Document, the litigation is still in progress and no judgment has been made by the Court.

As at the Latest Practicable Date, save for the outstanding Convertible Notes, the Company did not have any other outstanding options, derivatives, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

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 the 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.

Comparisons of value

The Share Offer Price of HK\$0.10 per Offer Share represents:

- (i) a premium of approximately 96.08% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 96.08% to the average of the closing prices of the Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.051 per Share;
- (iii) a premium of approximately 75.44% to the average of the closing prices of the Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day of approximately HK\$0.057 per Share;
- (iv) a discount of approximately 85.07% to the closing price of HK\$0.670 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (v) a discount of approximately 84.13% over the audited consolidated net asset value attributable to the Shareholders as at 31 December 2023 of approximately HK\$0.630 per Share (based on the audited consolidated net asset value attributable to Shareholders as at 31 December 2023 (the date to which the latest audited financial results of the Group were made up) divided by 215,520,000 Shares in issue as at the Latest Practicable Date); and
- (vi) a discount of approximately 81.13% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2024 of approximately HK\$0.530 per Share (based on the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2024 (the date to which the latest unaudited financial results of the Group were made up) and divided by 215,520,000 Shares in issue as at the Latest Practicable Date).

Highest and lowest closing Share prices

During the Relevant Period, the highest closing price of the Shares was HK\$0.780 per Share as quoted on the Stock Exchange on 21 October 2024 and the lowest closing price of the Shares was HK\$0.05 per Share as quoted on the Stock Exchange on 19 August 2024.

Effect of accepting the Offers

By accepting the Share Offer, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of the Company in Hong Kong, the Shareholders will sell their tendered Shares to the Offeror free from all liens, claims, charges, options, equities, adverse interests, third party rights or Encumbrances whatsoever and together with all rights accruing or attaching thereto, 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.

Acceptance of the Convertible Notes Offer by any Convertible Noteholders shall be made subject to the terms and conditions of the Convertible Notes. Details of the terms and conditions of the Convertible Notes are set out in the circular of the Company dated 31 March 2014. Pursuant to the terms and conditions of the Convertible Notes, the Convertible Notes may not be transferred to a connected person of the Company without the prior written consent of the Company. It is the Company's intention to grant the consent to the Convertible Noteholders to transfer the Convertible Notes to the Offeror in the event the Convertible Noteholders accept the Convertible Notes Offer. Save for the above, the Offeror and the Company are not aware of any terms and conditions that may affect the acceptance of the Convertible Notes Offer by the Convertible Noteholders.

Acceptance of the Offers will be governed and construed in accordance with all the applicable laws and regulations of all relevant jurisdictions in connection therewith. The Shareholders and Convertible Noteholders shall fully observe the applicable laws and regulations, and tender acceptances that are valid and binding, and as permitted under the applicable laws and regulations.

As at the Latest Practicable Date, no dividend and other distribution has been paid or declared by the Company and it is advised by the Board that no dividend and other distribution is expected to be paid or declared during the Offer Period. Acceptance of the Offers will be irrevocable and not be capable of being withdrawn except with the consent of the Executive.

Shareholders are reminded to read the recommendations of the Takeovers Code Independent Board Committee and the advice of the Independent Financial Adviser appointed by the Takeovers Code Independent Board Committee in respect of the Offers which are included in this Composite Document.

beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Overseas Independent Shareholders and Overseas Convertible Noteholders

The Offeror intends to make the Offers available to all Independent Shareholders and all Convertible Noteholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offers to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdiction. Overseas Shareholders and overseas Convertible Noteholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements or restrictions in their own jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and overseas Convertible Noteholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Independent Shareholder and overseas Convertible Noteholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder and overseas Convertible Noteholders to the Offeror that the local laws and requirements have been complied with. The Overseas Independent Shareholders and overseas Convertible Noteholders should consult their professional advisers if in doubt.

As at the Latest Practicable Date, the Company has identified more than 500 Overseas Independent Shareholders with registered address in Singapore and 1 overseas Convertible Noteholder with registered address in the PRC. It is the intention of the Offeror and the Company to despatch the composite document in relation to the Offers to Overseas Independent Shareholders and overseas Convertible Noteholders.

Procedures for acceptance and settlement

Your attention is drawn to “Further terms and procedures of acceptance of the Offers” as set out in Appendix I “Further Terms and Procedures of Acceptance of the Offers” to this Composite Document and the accompanying Forms of Acceptance.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Pursuant to a sale and purchase agreement dated 6 September 2024 entered into between Mr. Chim and Mr. Chim Sai Yau Oscar, the grandchild of Mr. Chim, the entire issued shareholding in the Offeror was transferred from Mr. Chim Sai Yau Oscar to Mr. Chim, as it is the intention of Mr. Chim to provide assistance to his grandchild through the acquisition of the entire issued shareholding in the Offeror. In addition, Mr. Chim is optimistic about the future prospects of the Company and the business of the 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. Accordingly, Mr. Chim considers the investment in the Company through the Offeror represents an opportunity to diversify his investment portfolio. As such, Mr. Chim, through the Offeror, conducted the Share Subscription and CB Subscription to replenish the working capital of the Company. The Share Subscription and the CB Subscription affirmed the Offeror's confidence and commitment to the Company.

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offers and will maintain the listing status of the Company on the Stock Exchange. The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete piles, ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and eco-permeable concrete products in the PRC.

The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate. As at Latest Practicable Date, the Offeror has no intention or plans for any acquisition of assets and/or business, nor any intention to dispose of any assets and/or existing business by the Group.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

As at the Latest Practicable Date:

- (i) save for the Share Subscription Agreement and the CB Subscription Agreement, and excluding the 109,613,706 Shares and the Convertible Bonds already owned by the Offeror and parties acting in concert with it, none of the Offeror and parties acting in concert with it and the sole director of the Offeror has dealt in or owned any Shares, warrants, options, derivatives or other securities convertible into Shares during the period commencing six months preceding the date of the joint announcement and up to the Latest Practicable Date;
- (ii) save for the 109,613,706 Shares and the Convertible Bonds already owned by the Offeror and parties acting in concert with it, none of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over Shares or convertible securities, warrants, options or derivatives of the Company;
- (iii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iv) save for the Share Subscription Agreement and the CB Subscription Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares;
- (v) save for the Share Subscription Agreement, there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offers;
- (vi) none of the Offeror and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offers;
- (vii) other than the consideration paid by the Offeror to the Company under the Share Subscription Agreement and the CB Subscription Agreement, there is no other consideration, compensation or benefits paid by or to be paid by the Offeror and parties acting in concert with it;

practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of the Offer Shares and/or Convertible Notes whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

The attention of the Independent Shareholders and Convertible Noteholders residing outside Hong Kong is drawn to paragraph “8. Overseas Shareholders and Overseas Convertible Noteholders” in Appendix I “Further Terms and Procedures of Acceptance of the Offers” to this Composite Document. This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

All documents and remittances to be sent to the Independent Shareholders and the Convertible Noteholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders and the Convertible Noteholders at their respective addresses as they appear in the registers of the members of the Company and in the case of joint holders, to such holder whose name appears first in the relevant registers. None of the Offeror, parties acting in concert with the Offeror, the Company, Kingston Securities, Donvex Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith. Further details have been set out in Appendix I “Further Terms and Procedures of Acceptance of the Offers” to this Composite Document and in the Forms of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. In addition, your attention is drawn to the “Letter from the Board”, the “Letter from the Takeovers Code Independent Board Committee”, and the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document before reaching a decision as to whether or not to accept the Offers.

Yours faithfully,
For and on behalf of
Donvex Capital Limited



Sy Wai Shuen
Director