

**SUNWAY INTERNATIONAL HOLDINGS LTD:  
WHAT A MESS !**

Publicly listed Sunway International Holdings Ltd () (Code: 58, Main Board, The Stock Exchange of Hongkong Ltd) has filed a Writ of Summons in The High Court of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming the best part of \$HK400 million from two Defendants.

HKSAR High Court Action, Number 1391 (Indorsement of Claim attached), is between:

First Billion Global Ltd\*  
Sunway International Holdings Ltd  
and

First Plaintiff  
Second Plaintiff

Xiao Guang Kevin ()  
Wang Zhi Ning ()

First Defendant  
Second Defendant

\* The First Plaintiff is a wholly owned subsidiary of the Second Plaintiff.

The aggrieved Plaintiffs are claiming, inter alia, that the declaration in respect of a Share Sale Agreement, dated October 3, 2013, has been rescinded and that the sum of \$HK382 million, plus interest and costs, is due and owing by the two Defendants.

The following is the full text of the Indorsement of Claim:

- '1. Pursuant to a share sale agreement dated 3rd October, 2013 in Chinese ("**the Share Sale Agreement**"), the 1st Plaintiff was a buyer of (i) one issued share ("**the Share**") representing all the legal and beneficial interests in a company called Joint Expert Global Limited ("**Joint Expert**"), a company incorporated under the laws of the British Virgin Islands, which wholly owned Royal Asia International Limited, which in turn owned 95% legal and beneficial interests in a company called Zhuhai Hoston Special Materials Co., Limited (), a company incorporated under the laws of the People's Republic of China, which in turn owned 70% legal and beneficial interests in a company called "" transliterated as Guangdong Hengjia Construction Materials Co., Limited, a company incorporated under the laws of the People's Republic of China, and (ii) Shareholder's Loan.
- '2. The 2nd Plaintiff was the issuer of 30 convertible bonds of HK\$10,000,000.00 each in favour of the 1st Defendant as seller of the Share. The 2nd Defendant was the guarantor guaranteeing the due observation, performance and compliance of all the terms and conditions in the Share Sale Agreement by the 1st Defendant therein contained.
- '3. All the 1st and 2nd Plaintiffs, and the 1st and 2nd Defendants are parties to the Share Sale Agreement.
- '4. Under the Share Sale Agreement, the 1st Plaintiff shall purchase and the 1st Defendant shall sell the Share and Shareholder's Loan in consideration of HK\$550,000,000.00 ("**the Consideration Price**"). Pursuant to the Share Sale Agreement as varied by a

*subsequent agreement dated 2nd December, 2014, the Consideration Price was to be paid by the 2nd Plaintiff in favour of the 1st Defendant as follows:*

- (i) a post-dated cheque for the sum of HK\$150,000,000.00 drawn on the 2nd Plaintiff's Dah Sing Bank account on 30th June 2016 ("**the Post-dated Cheque**");*
  - (ii) 30 convertible bonds of HK\$10,000,000.00 each with certificate numberings from 001 to 030 inclusive for the total sum of HK\$300,000,000.00 (singly or collectively "**the Convertible Bonds**");* and
  - (iii) An interest-free Promissory Note for the sum of HK\$100,000,000.00 dated 2nd May, 2014 ("**the Promissory Note**") requiring the full payment by the 2nd Plaintiff of the amount by 2nd May, 2017.*
- '5. Of the Convertible Bonds, 10 with certificate numbers 001-010 were held by the 2nd Plaintiff pursuant to Clause 9.7 of the Share Sale Agreement as security for the performance and observation by the 1st Defendant of the terms and conditions therein contained ("**10 Held Convertible Bonds**").*
- '6. On 11th August, 2014 and 2nd September, 2014 respectively, 12 out of the 30 Convertible Bonds (original certificate numbers 014-025 and later replaced by 033-044) making a total sum of HK\$120,000,000.00 ("**the Converted Convertible Bonds**") were converted into shares issued by the 2nd Plaintiff. On 11th February, 2015, at the 1st Defendant's request, 5 Convertible Bonds with certificate numbers 026-030 were redeemed by the 2nd Plaintiff for the sum of HK\$35,000,000.00 by one cheque drawn on the 2nd Plaintiff and paid to the 1st Defendant's designated recipient ("**the Payment of Early Redeemed Convertible Bonds**").*
- '7. Of ... [CLICK TO ORDER FULL ARTICLE](#)*

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