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SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 58)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the announcement of Sunway International Holdings Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) dated 29 March 2022 in relation to the unaudited annual results of the Group for the year ended 31 December 2021 and delay in publication of audited annual results (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that, on 5 May 2022, Elite Partners CPA Limited, the auditor of the Company (the “**Auditor**”) has completed its audit of the consolidated financial statements of the Group for year ended 31 December 2021. The 2021 audited annual results have been reviewed by the Audit Committee and were approved by the Board on 5 May 2022.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Announcement was neither audited nor agreed with the Auditor as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to the differences between the financial information contained in the 2021 unaudited annual results and the 2021 audited annual results. Set forth below are the principal details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2021 Audited Annual Results HK\$'000	2021 Unaudited Annual Results in the Announcement HK\$'000	Difference HK\$'000 (Note)
Loss before tax	(19,766)	(19,766)	–
Income tax expense	(8,358)	(7,632)	(726)
Loss for the year from continuing operation	(28,124)	(27,398)	(726)
Discontinued operation			
Loss for the period from discontinued operation	–	–	–
Loss for the year	(28,124)	(27,398)	(726)
Loss for the year attributable to:			
Owners of the Company	(24,744)	(24,018)	(726)
Non-controlling interests	(3,380)	(3,380)	–
	(28,124)	(27,398)	(726)
Loss per share			
From continuing and discontinued operations			
Basic and diluted (HK cents)	(13.78)	(13.37)	(0.41)
From continuing operation			
Basic and diluted (HK cents)	(13.78)	(13.37)	(0.41)
From discontinued operation			
Basic and diluted (HK cents)	–	–	–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 Audited Annual Results HK\$'000	2021 Unaudited Annual Results in the Announcement HK\$'000	Difference HK\$'000 (Note)
Loss for the year	<u>(28,124)</u>	<u>(27,398)</u>	<u>(726)</u>
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations	7,880	7,880	–
Reclassification adjustment on deregistration of foreign subsidiaries	–	–	–
<i>Items that will not be reclassified to profit or loss:</i>			
Loss on revaluation of property, plant and equipment	(890)	(890)	–
Tax effect of revaluation of items of property, plant and equipment	<u>221</u>	<u>221</u>	<u>–</u>
Other comprehensive income for the year, net of tax	<u>7,211</u>	<u>7,211</u>	<u>–</u>
Total comprehensive loss for the year	<u><u>(20,913)</u></u>	<u><u>(20,187)</u></u>	<u><u>(726)</u></u>
Total comprehensive loss for the year attributable to:			
Owners of the Company	(19,519)	(18,793)	(726)
Non-controlling interests	<u>(1,394)</u>	<u>(1,394)</u>	<u>–</u>
	<u><u>(20,913)</u></u>	<u><u>(20,187)</u></u>	<u><u>(726)</u></u>

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2021 Audited Annual Results HK\$'000	2021 Unaudited Annual Results in the Announcement HK\$'000	Difference HK\$'000 (Note)
Tax payables	7,717	6,991	726
Prepayment, deposits and other receivables	59,303	59,181	122
Interest-bearing borrowings	35,575	35,453	122
Net Assets	252,136	252,862	(726)

Note: The above differences were due to the provision of Hong Kong Profits Tax which was made for a subsidiary of the Group amounting to approximately HK\$726,000 and reclassification of interest-bearing borrowings amounting to approximately HK\$122,000.

3. UNDER NOTE 10 – INCOME TAX EXPENSE/(CREDIT) ON PAGE 12 OF THE ANNOUNCEMENT:

	2021 Audited Annual Results HK\$'000	2021 Unaudited Annual Results in the Announcement HK\$'000	Difference HK\$'000 (Note)
Current tax – Hong Kong Profits Tax			
– Provision for the year	726	–	726
Income tax expense	8,358	7,632	726

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK\$2 million.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements for the year ended 31 December 2020. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2020.

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2020 as the Group has no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

Save as disclosed in this announcement, all other information contained, in material aspects, in the Announcement remains unchanged.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2021 as set out in the Announcement, together with the adjustments described in this announcement, have been agreed by the Auditor to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021 as approved by the Board of Directors on 5 May 2022. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the Announcement or this announcement.

By Order of the Board
Sunway International Holdings Limited
Law Chun Choi
Executive Director and Company Secretary

Hong Kong, 5 May 2022

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Law Chun Choi and Mr. Lin Jincong, 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.

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

* *For identification purpose only*