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## **WINSWAY ENTERPRISES HOLDINGS LIMITED**

**永暉實業控股股份有限公司**

*(formerly known as “WINSWAY COKING COAL HOLDINGS LIMITED 永暉焦煤股份有限公司”)*

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock Code: 1733)**

### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND INSIDE INFORMATION —**

- (1) ENTERING INTO THE RESTRUCTURING SUPPORT AGREEMENT;**
- (2) DISCUSSIONS RELATING TO POSSIBLE RIGHTS ISSUE  
INVOLVING APPLICATION FOR WHITEWASH WAIVER;**
- (3) ACCESSION OF CONSENTING BONDHOLDERS;**
- (4) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISOR**
- (5) UPDATE AND FURTHER DELAY IN PUBLICATION OF THE  
ANNOUNCEMENT OF THE INTERIM RESULTS;**
- (6) DELAY IN DESPATCH OF THE INTERIM REPORT  
AND**
- (7) CONTINUOUS SUSPENSION OF TRADING**

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code issued by the SFC, Rule 13.09(2) of the Stock Exchange and the Inside Information Provisions under Part XIVA of the SFO.

The Company refers to its announcements of 26 March 2015 and 8 April 2015 amongst others, in relation to the delay in the payment of Interest Payments and continuing discussions with the Steering Committee in respect of a proposed Debt Restructuring. Reference is also made to the Announcements, amongst others, in relation to its discussions with Bondholders and other relevant parties, including any potential equity investors, and the delay in publication of the Interim Results and delay in despatch of the Interim Report.

#### **ENTERING INTO THE RESTRUCTURING SUPPORT AGREEMENT**

The Board is pleased to announce that after trading hours on 25 November 2015, the Company, Subsidiary Guarantors and certain of the Consenting Bondholders entered into the Restructuring Support Agreement, pursuant to which they have agreed to support the proposed Debt Restructuring.

The proposed Debt Restructuring will consist of a redemption of the outstanding Senior Notes and Interest Payments and all accrued, scheduled interest payments up to the date of the settlement at a discount, with Bondholders accepting a combination of the Cash Consideration, the Scheme Shares and the CVRs in full settlement. The Debt Restructuring will be implemented by the Schemes, for which recognition will be sought in the U.S. under Chapter 15 of the U.S. Bankruptcy Code. Each Bondholder will receive a pro rata allocation of the CVRs and, at its election, a combination of Cash Consideration and Scheme Shares. Upon completion of the Debt Restructuring, the aggregate amount of the Cash Consideration and the aggregate number of Scheme Shares will be completely allocated among the Bondholders in consideration of all claims in respect of the Senior Notes being extinguished.

### **Scheme Consideration**

The proposed Scheme Consideration comprises:

- (a) US\$50 million in cash less the Consent Fee and the success fee payable to Houlihan Lokey;
- (b) the Scheme Shares, which shall represent not less than 18.75% of the total issued Shares on a fully diluted basis upon completion of the Restructuring; and
- (c) the CVRs.

Further details of the CVRs are set out in the section headed “Principal terms of the CVRs” below.

The US\$50 million set out in paragraph (a) above is expected to be funded by the proceeds of a possible Rights Issue.

### **Treatment of the Senior Notes**

Upon completion of the Debt Restructuring, the outstanding Senior Notes will be cancelled and all guarantees and security in connection with the Senior Notes will be released.

### **Election of Scheme Consideration**

The Bondholders will have the option to elect to receive Cash Consideration or Scheme Shares or any combination thereof. If the aggregate Cash Consideration requested by the Bondholders exceeds the Cash Consideration, the Bondholders will be allocated the Cash Consideration on a pro rata basis and the shortfall will be paid on a pro rata basis in Scheme Shares. Bondholders who fail to specify their required Scheme Consideration prior to the requisite deadline will be deemed to have elected to receive their entire Scheme Consideration in Scheme Shares. The value attributable to each Scheme Share for the purpose of determining the basis of allocation remains to be determined.

### **Bar Date**

The Bondholders that fail to submit a claim in the Schemes by the requisite bar date (the “**Bar Date**”) will receive nil Scheme Consideration and such Bondholder’s share of the Scheme Consideration shall be distributed pro rata to those Bondholders who have validly submitted their scheme claims prior to the applicable Bar Date.

## **Consent Fee**

On the Restructuring Effective Date, the Company will pay a consent fee (the “**Consent Fee**”) in U.S. dollars in a total amount equal to 2% of the outstanding principal and accrued but unpaid interest in respect of the Senior Notes as at the date of the Restructuring Support Agreement.

The Consent Fee will be shared pro rata among those Consenting Bondholders that become a party to the Restructuring Support Agreement on or prior to 5:00 p.m. (Hong Kong time) on 23 December 2015 (or such later date as the Company and the Steering Committee Majority may agree).

The material terms of the Restructuring Support Agreement are set out below.

## **Termination**

The Restructuring Support Agreement shall automatically terminate on:

- (a) the occurrence of the Long Stop Date;
- (b) the occurrence of the Restructuring Effective Date;
- (c) the entry of a final non-appealable order by any court of competent jurisdiction or other competent governmental or regulatory authority making illegal or otherwise preventing, prohibiting or materially restricting the consummation of the Restructuring;
- (d) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) by any person or entity in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity and/or any or all of its or their respective liabilities or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any analogous procedure or step in any jurisdiction, other than a Provisional Liquidation Event;
- (e) the Schemes not being approved by a majority in number representing at least 75% in value of the Bondholders present and voting (either in person or by proxy) at the Scheme Meetings; or
- (f) the Hong Kong Court or the BVI Court granting an order declining to sanction the Hong Kong Scheme or the BVI Scheme (as applicable) and: (i) the Company confirming that it will not appeal such order; or (ii) if an appeal is lodged, the appeal being dismissed and the Hong Kong Court or the BVI Court (as the case may be) granting a final order declining to sanction the Hong Kong Scheme or the BVI Scheme.

The Steering Committee Majority may terminate the Restructuring Support Agreement by written notice to the Company if, other than due to any action taken intentionally by any Consenting Bondholder:

- (a) the Company or any Subsidiary Guarantor breaches any provision of the Restructuring Support Agreement unless the breach is capable of remedy and is remedied within 5 business days of such breach;
- (b) any representation or statement made by the Company or any Subsidiary Guarantor is or proves to have been incorrect or misleading in any material respect;
- (c) a Provisional Liquidation Event occurs;
- (d) any Restricted Action is taken against any member of the Group;
- (e) circumstances have arisen which the Steering Committee Majority reasonably believes in good faith to mean that it is reasonably likely that the Restructuring cannot be successfully completed;
- (f) a Whitewash Waiver is not obtained by 25 February 2016 (or such later date as may be agreed between the Company and the Steering Committee Majority); or
- (g) an agreement is not reached between the Company and the Steering Committee Majority on the final form of the Restructuring Documents (other than the Prospectus Documents) by 19 February 2016 (or such later date as may be agreed between the Company and the Steering Committee Majority).

The Restructuring Support Agreement may be terminated at any time with the mutual written consent of the Company and the Steering Committee Majority.

Each Consenting Bondholder may, by written notice to the Company, terminate the Restructuring Support Agreement with respect to itself and rescind (to the extent permitted by law) any consent previously provided by it with respect to the Restructuring if the Company or any other Group company provides, or agrees to provide, to any Consenting Bondholder in respect of its Senior Notes any payment or other benefit that would disadvantage any other party, except as contemplated by the Restructuring Support Agreement and the Term Sheet.

## **ACCESSION OF BONDHOLDERS TO RESTRUCTURING SUPPORT AGREEMENT**

Reference is made to the announcement of the Company dated 26 March 2015 in relation to the Company's 2014 annual results which, amongst other things, makes reference to the Company's proposed Debt Restructuring and the separate announcements of the Company dated 26 March 2015 and 8 April 2015 in relation to the request for information about holdings in the Senior Notes and formation of the Steering Committee, respectively.

In anticipation of the proposed Restructuring, all Bondholders are requested to identify themselves to Bondholder Communications Group by completing the bondholder information form (the "**Bondholder Information Form**") provided in the website at **[www.BondCom.com/WinswayScheme](http://www.BondCom.com/WinswayScheme)**. Please note that the Bondholder Information Form

is intended only to facilitate communications with the Bondholders, specifically by completing and returning a Bondholder Information Form, a Bondholder will not become bound by the Restructuring Support Agreement.

Further, please note that the Bondholder Communications Group will not disclose the identity of any Bondholder, or the amount of its Senior Notes, to any parties other than the Company (and its advisors), Akin Gump Strauss Hauer & Feld LLP (being the legal advisor to the Steering Committee) and Houlihan Lokey (being the financial advisor to the Steering Committee).

Any Bondholder may become a Consenting Bondholder under the Restructuring Support Agreement by completing and returning a duly completed and executed accession letter in respect of its Senior Notes which would be provided through its relevant account holders. **Bondholders should note that they will only be eligible to receive a share of the Consent Fee if they submit an accession letter by 23 December 2015 (or such later date as the Company and the Steering Committee Majority may agree).**

**In order for the Irrevocable Undertaking to become unconditional and for the implementation of the Restructuring to proceed, further Bondholders would be required to enter into the Restructuring Support Agreement so that the aggregate holdings of principal amount of the Senior Notes of the Consenting bondholders is in excess of 30%.**

Accordingly, the Board would like to encourage any Bondholders who are interested in acceding to the Restructuring Support Agreement to identify themselves **by 23 December 2015 (or such later date as the Company and the Steering Committee Majority may agree)** and contact any of the following parties in this regard for further details:

**Communications Agent**

Wendy Cole  
Bondholder Communications Group  
London, New York and Virgin Islands  
Tel: +1 888-385-2663  
Email: WCole@BondCom.com  
Fax: +1 212 437 9827

**Company's Financial Advisor**

UBS AG, Hong Kong Branch  
52/F Two International Finance Centre  
8 Finance Street,  
Central, Hong Kong  
Attention: Global Capital Markets  
Tel: +852 2971 6159  
Email: OL-LM-Asia@ubs.com  
Fax: +852 2514 5848

**Legal Advisor to the Steering Committee**

Mark Fucci/Naomi Moore  
Akin Gump Strauss Hauer & Feld  
Units 1801–08&10, 18th Floor  
Gloucester Tower, The Landmark  
15 Queen's Road Central, Central, Hong Kong  
Tel: +852 3694 3030/+852 3694 3050  
Email: mark.fucci@akingump.com/naomi.moore@akingump.com  
Fax: +852 3694 3001

**Financial Advisor to the Steering Committee**

Brandon Gale  
Houlihan Lokey  
Unit 06, 21st Floor, Alexandra House  
18 Chater Road, Central, Hong Kong  
Tel: +852 3551 2312  
Email: BGale@HL.com  
Fax: +852 3012 9892

**Conditions Precedent of the Restructuring Support Agreement**

The obligation of any party under the Restructuring Support Agreement is conditional on the Irrevocable Undertaking having been duly executed by Mr. Wang and delivered to the Company and the Trustee for the benefit of the Bondholders.

**The Company's and the Subsidiary Guarantors' obligations**

The Company and each Subsidiary Guarantor undertake in favour of the Consenting Bondholders that they shall take all actions which in the reasonable opinion of the Steering Committee Majority are reasonably necessary to take in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable and, in any event, before the Long Stop Date, including, amongst others, to:

- (a) work expeditiously to progress the Restructuring and to prepare, finalise, execute and deliver the Restructuring Documents;
- (b) give any notice, order, consent, direction or information and to take all such steps and actions as may be necessary or desirable to support, facilitate, implement or otherwise give effect to the Restructuring including the proposing, filing and pursuing expeditiously of the Restructuring Document, the Schemes and the Recognition Filings;
- (c) call all creditor and shareholder meetings required to implement the Restructuring including, without limitation, the Scheme Meetings;
- (d) take any actions pursuant to any order of, or sanction by, the BVI Court and the Hong Kong Court, as the case may be, as may be required or necessary to implement or give effect to the Restructuring;
- (e) use reasonable efforts to obtain from the Shareholders all necessary shareholders' approvals and consents in respect of the Rights Issue and the Debt Restructuring; and

- (f) take all reasonable steps to seek and obtain promptly any necessary or desirable consents, approvals or authorisations in connection with the Restructuring, including, without limitation, consents, approvals or authorisations from the Stock Exchange and any and all other relevant governmental bodies.

### **Restrictions on the Company and the Subsidiary Guarantors**

The Company and each Subsidiary Guarantor shall not without the prior written consent of the Steering Committee Majority take certain actions including amongst other things:

- (a) intentionally taking, encouraging, assisting or supporting any action (or procuring that any person does so) which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Schemes or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Term Sheet;
- (b) assigning or transferring any of its rights and interests in respect of, or declaring or creating any trust of any of its rights, interests or benefits in respect of, the Restructuring Support Agreement;
- (c) taking or consenting to the taking of any action which supports or favours any proposed composition, compromise, assignment or arrangement with any creditor of the Company or the Group other than pursuant to the implementation of the Restructuring or the Restructuring Support Agreement;
- (d) paying or agreeing to pay any performance related bonus to any director or officer or make any award or grant to any director under any incentive scheme or bonus plan, other than in the normal course of business and consistent with past practice;
- (e) issuing equity, or otherwise changing its capital structure in any way not contemplated by the Restructuring Support Agreement or the Term Sheet including, any steps which may involve the issue of any new debt, shares, warrants or options to acquire any new shares, or increase its authorised shares for any purpose other than to implement the Restructuring;
- (f) selling, transferring, leasing, acquiring, or otherwise disposing of any shares in any other company or of all or any material part of its present or future undertaking, material assets, rights or revenues;
- (g) paying any dividends or making other distributions to its Shareholders;
- (h) incurring any new debt, or becoming subject to any new liens or other encumbrances, other than as may be incurred or created in the ordinary course of its trading business for working capital purposes;
- (i) adopting any management compensation schemes;
- (j) entering into any other transaction other than in the ordinary course of business, for arm's length consideration; or



- (k) terminating any fee letter or confidentiality agreement entered into between any Bondholder and the Company from time to time (as the same may be amended from time to time) except as may be agreed between the relevant parties.

### **The Consenting Bondholders' obligations**

Each of the Consenting Bondholders shall (or, as applicable, procure that a duly authorised representative, proxy or nominee shall), at the cost of the Company and the Subsidiary Guarantors, take all reasonable actions which it is reasonably requested by the Company to take in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable and, in any event, before the Long Stop Date, including, amongst others, to:

- (a) support the Schemes prior and subject to the sanction of the BVI Court and the Hong Kong Court, as applicable;
- (b) attend the Scheme Meetings by proxy or in person and vote its Senior Notes in favour of the Schemes and any amendment or modification to the Schemes or adjournment to the Scheme Meetings, provided that they are proposed by the Company and that the terms of the Schemes as amended or modified remain consistent in all material respects with the terms of the Schemes without such amendments or modifications and are consistent with and do not include any additional material terms which are likely to adversely affect or conflict with the terms of the Restructuring or its implementation;
- (c) except where (b) above applies, exercise all votes cast in respect of its Senior Notes against any amendment or modification to the Schemes or any proposal to adjourn the Scheme Meetings;
- (d) support any filings and petitions by the Company or any Subsidiary Guarantor in such other jurisdictions as may be, in the discretion of the directors of the Company or any Subsidiary Guarantor, reasonably required to implement the Restructuring;
- (e) support any other actions as may be taken by the Company or any Subsidiary Guarantor pursuant to an order of, or sanction by, the BVI Court and the Hong Kong Court, as the case may be, as may be reasonably required or reasonably necessary to implement or give effect to the Restructuring;
- (f) support the Recognition Filings;
- (g) provide confirmation to any other party that it supports the Restructuring;
- (h) execute any document and give any notice, order, consent, direction or information and taking all such steps and actions which the Company considers reasonably necessary to support, facilitate, implement or otherwise give effect to the Restructuring provided that the form of any such document, notice, order, consent, direction or information is reasonably satisfactory to the Steering Committee Majority; and



- (i) in the case of those Consenting Bondholders who constitute the Steering Committee, work within a reasonable timeframe and in good faith with the Company and its advisers with a view to furthering the mutual objective of implementing the Restructuring.

### **Restrictions on the Consenting Bondholders**

The Consenting Bondholders shall not:

- (a) intentionally take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Schemes or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Term Sheet;
- (b) commence, take, support or actively assist any proceedings against the Company and/or any Group company or any action in connection with any default or event of default howsoever arising, including, without limitation, any Restricted Action; and
- (c) assign, transfer or sub-participate any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, its Senior Notes or the Restructuring Support Agreement to, or in favour of, any other person unless that person becomes a party to the Restructuring Support Agreement or is already a Consenting Bondholder.

### **Completion**

**The completion of the Debt Restructuring and the possible Rights Issue will be interconditional.**

**Completion of the possible Rights Issue will be conditional on, amongst other things, the Schemes being sanctioned and all conditions precedent to the Schemes (and any other documentation giving effect to the Debt Restructuring) having been satisfied other than the completion of the Rights Issue.**

**The possible Rights Issue will also be conditional on the percentage by principal amount of the Senior Notes held by the Bondholders entering into the Restructuring Support Agreement exceeding 30% within 6 calendar weeks after the date of the Restructuring Support Agreement (or such later date as the Company and the Steering Committee Majority may agree).**

**Completion of the Debt Restructuring will be conditional on, amongst other things, completion of the possible Rights Issue and the receipt by the Company of the US\$50 million from the Rights Issue.**

**If the possible Rights Issue does not materialise, the Company will seek to continue to explore other possible solutions with the Steering Committee to effect the Debt Restructuring (or a substantially similar transaction) and any other potential investor(s) to effect the Restructuring as a whole.**

## PRINCIPAL TERMS OF THE CVRS

- Notional Value:** US\$10 million, which will be a one-off payment to the Bondholders upon the occurrence of the Triggering Event as more particularly described below.
- Triggering Event:** The triggering event will be when the Company's cash profit before taxation in any certain year exceeds US\$100 million. Such cash profit before taxation is defined as the sum of "Profit before Taxation" and "Non-cash costs". "Profit before Taxation" shall be the figure reported in the consolidated statement of profit or loss of the annual audited financial statements of the Company. "Non-cash costs" shall be defined as the sum of "Depreciation", "Amortization", and "Equity settled share-based transactions" reported in the consolidated cash flow statement of the annual audited financial statements of the Company. Such cash profit before taxation shall also exclude any extraordinary gains and losses and write downs outside normal course of business operations of the Company.
- Maturity Date:** 5 years from the issue date of the CVRs
- Settlement:** The Company shall have the right to choose to use cash or Shares (at the prevailing 30-day volume-weighted average price) to settle the CVRs within 30 days upon the occurrence of the Triggering Event.
- Expiry:** The CVRs will expire (and no payment shall be due from the Company) if the Triggering Event does not occur prior to the Maturity Date.
- Listing:** No application will be made for the listing of, and permission to deal in, the CVRs on the Stock Exchange or any other stock exchange.
- Conditions Precedent:** The ability of the Company to settle the CVRs by the issuance of Shares is conditional on, amongst other, the following:
- (i) the Stock Exchange granting permission to issue the CVRs;
  - (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be issued to settle the CVRs;

- (iii) in the event that the Shares to be issued to settle to CVRs would fall outside the scope of the general mandate granted by the Shareholders to the Directors then in force, the approval by the Shareholders at a general meeting approving a specific mandate to be granted to the Directors of the Company authorising the same to exercise the powers of the Company to allot and issue such Shares; and
- (iv) all other relevant consents and approvals being obtained from all relevant governmental and regulatory authorities.

## **DISCUSSIONS RELATING TO POSSIBLE RIGHTS ISSUE INVOLVING POSSIBLE APPLICATION FOR WHITEWASH WAIVER**

The Board wishes to update the Bondholders and the Shareholders and potential investors that the Company is continuing discussions with certain potential equity investors, amongst others, including Mr. Wang, being the controlling Shareholder, in respect of a possible Rights Issue, The Company would seek to raise net proceeds of US\$50 million from a possible Rights Issue which would be applied to satisfy payment of the Cash Consideration to the Bondholders on completion of the Debt Restructuring as well as the Consent Fee and the success fee of Houlihan Lokey. If the possible Rights Issue does not materialise, the Company will seek to continue to explore other possible solutions with the Steering Committee to effect the Debt Restructuring (or a substantially similar transaction) and any other potential investor(s) to effect the Restructuring as a whole.

### **Entering into the conditional Irrevocable Undertaking**

As at the date of this announcement, Mr. Wang has given a conditional irrevocable undertaking in favour of the Company and the Trustee for the benefit of the Bondholders that, assuming the launch of the possible Rights Issue by the Company, among other things:

- (a) he would, or procure a company or companies controlled by him to (i) subscribe for all the Rights Shares (subject to the subscription price not exceeding a prescribed limit per Rights Share) provisionally allotted to him or a company or companies controlled by him, under the possible Rights Issue; and (ii) lodge with the Company acceptances, in respect of such Rights Shares provisionally allotted to him or a company or companies controlled by him under the possible Rights Issue, with payment in full therefor in cash;
- (b) he would, or procure a company or companies controlled by him or his close relatives to, either acting severally or in combination underwrite the Rights Shares (subject to the subscription price not exceeding a prescribed limit per Rights Share) provisionally allotted to but not subscribed by other existing Shareholders, at the subscription price of the Rights Issue pursuant to an underwriting agreement to be entered into between him and the Company in relation to the underwriting arrangements in respect of the Rights Issue, subject to the possible Rights Issue not being terminated under the underwriting agreement to be entered into in relation to the underwriting arrangements in respect of

the Rights Issue to ensure that the Rights Issue raises at least US\$50 million in cash and that such funds shall be applied to satisfy payment of the Cash Consideration, Consent Fee and the success fee of Houlihan Lokey;

- (c) without prejudice to (b) above, to the extent any members of senior management of the Company may participate in the underwriting of the Rights Issue, his obligation pursuant to (b) above will be reduced accordingly.

The obligation of Mr. Wang under the Irrevocable Undertaking is conditional on the percentage by principal amount of the Senior Notes held by the Bondholders entering into the Restructuring Support Agreement exceeding 30%, provided that if the Company agrees to a lower percentage as a condition precedent of the Rights Issue, such percentage in this clause shall be reduced accordingly.

Mr. Wang is interested in an aggregate of 1,518,250,109 Shares, representing approximately 40.24% of the total issued Shares of the Company, Under Rule 26.1 of the Takeovers Code, should the Company and Mr. Wang decide to proceed with the possible Rights Issue on the agreed terms presently contemplated under the Restructuring Support Agreement, Mr. Wang will be required to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by Mr. Wang and parties acting in concert with him) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

It is the Company's understanding that an application will be made by Mr. Wang to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code should the Company decide to proceed with the possible Rights Issue. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted or if the Whitewash Waiver is not approved by the Independent Shareholders at the EGM, the underwriting agreement in respect of the Rights Issue will not become unconditional and the Rights Issue will not proceed.

**Based upon discussions with the Steering Committee and Mr. Wang to date, the possible Rights Issue would most likely result in a very high level of dilution for the existing Shareholders both as a result of the number of Shares to be issued as well as the likelihood that the relevant subscription price with respect to the possible Rights Issue would be at a deep discount to the last trading price of the Shares.**

**It should be noted that, so far as the Company is aware, there is no assurance that (i) the Irrevocable Undertaking will become unconditional; and (ii) the possible Rights Issue will either materialise or eventually be consummated. Accordingly, there is no certainty that a decision will be made by the Company to proceed with the Rights Issue. In any event, if the possible Rights Issue materialises, its completion and the completion of the Debt Restructuring would be expected to be inter-conditional. If the possible Rights Issue does not materialise, the Company will need to seek to continue exploring other solutions with the Steering Committee to effect the Debt Restructuring (or a substantially similar transaction) and any other potential investor(s) to effect the**

**Restructuring as a whole. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if in any doubt, they should consult their professional advisers.**

Shareholders will be informed of any further development with regard to the possible Rights Issue and/or the Debt Restructuring as and when necessary in accordance with the Listing Rules and the Takeovers Code, and on a monthly basis pursuant to Rule 3.7 of the Takeovers Code until an announcement (i) of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or (ii) of a decision not to proceed with an offer.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR**

Somerley Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Shareholders as well as the Independent Board Committee which would be formed to advise the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver. The appointment of Somerley Capital Limited as the Independent Financial Advisor has been approved by the Board.

#### **UPDATE AND FURTHER DELAY IN PUBLICATION OF THE INTERIM RESULTS**

It was stated in the announcement dated 1 November 2015 issued by the Company that the Company will endeavor to publish the Interim Results by 20 November 2015. As set out in this announcement, the Company, amongst others, entered into the Restructuring Support Agreement, pursuant to which they have agreed to support the proposed Debt Restructuring, and the Company is still engaged in continuing discussions with certain potential equity investors, amongst others, including Mr. Wang, being the controlling Shareholder, in respect of a possible Rights Issue. Whilst the Company is of the view that there has been significant progress in such negotiations, more time is needed before the implementation and agreement of the terms of a Debt Restructuring and the Rights Issue, respectively. The completion of the Debt Restructuring and Rights issue to facilitate such Debt Restructuring are assumptions for the Board to be able to present the Interim Results on a going-concern basis.

Although the Board is of the view that further progress has been made, as stated above, more time will be needed to reach a determination regarding the going-concern basis for preparation of the Interim Results. The Board hereby wishes to inform the Shareholders that there will be a further delay in publication of the announcement of the Interim Results and while the Company will seek to publish the Interim Results as soon as practicable the Company currently is hopeful this will be on or before 6 January 2015, being 6 calendar weeks after the date of the Restructuring Support Agreement.

#### **DELAY IN DESPATCH OF THE INTERIM REPORT**

Pursuant to Rule 13.48(1) of the Listing Rules, the Company is required to despatch its Interim Report no later than three months after the date upon which such financial periods ends, that is, on or before 30 September 2015. Due to the delay in publication of the Interim Results, the despatch of the Interim Report will be correspondingly delayed.

## CONTINUOUS SUSPENSION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 31 August 2015, pending the publication of the Interim Results. Trading in the Shares will remain suspended until further notice.

The Company will publish further announcements to inform the Shareholders on the date of the publication of the Interim Results, the expected date of despatch of the Interim Report, the latest development of the Group as well as any other material information as and when appropriate pursuant to the requirements of the Listing Rules and the Takeovers Code.

## DEFINITIONS

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

“Announcement”	various announcements of the Company from 8 May 2015 to 4 November 2015 (both dates inclusive)
“Bar Date”	bar date as described in the section headed “Bar Date” in this announcement
“Board”	the board of Directors, from time to time
“Bondholder(s)”	holder(s) of the Senior Notes
“Bondholder Information Form”	the bondholder information form as described in the section headed “Accession of Bondholders to Restructuring Support Agreement” in this announcement
“Business Day(s)”	any day (excluding Saturdays or Sundays or public holidays) on which banks in Hong Kong and in the PRC are generally open for business
“BVI”	the British Virgin Islands
“BVI Court”	the Commercial Court of the BVI
“BVI Scheme”	a scheme of arrangement between the Company and the Bondholders under section 179A of the Business Companies Act of the British Virgin Islands (2004) reflecting the terms of the Debt Restructuring
“Cash Consideration”	US\$50 million (approximately HK\$387.5 million) minus the Consent Fee and the success fee payable to Houlihan Lokey
“Company”	Winsway Enterprises Holdings Limited, a company incorporated in the BVI with limited liability, and the Shares of which are listed on the main board of the Stock Exchange



“Consent Fee”	consent fee as described in the section headed “Consent Fee” in this announcement
“Consenting Bondholders”	those Bondholders who have entered into the Restructuring Support Agreement from time to time
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CVR(s)”	certain contingent value rights as described in the section headed “Principal Terms of the CVRs” in this announcement
“Debt Restructuring”	the restructuring of the outstanding Senior Notes implemented through the Schemes
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit approving, among other things, the Rights Issue, the Whitewash Waiver and the respective transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong, or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	the High Court of Hong Kong
“Hong Kong Scheme”	a scheme of arrangement between the Company and the Bondholders pursuant to sections 673 and 674 of the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong reflecting the terms of the Debt Restructuring
“Houlihan Lokey”	the financial advisor to the Steering Committee
“Indenture”	an indenture dated 8 April 2011 between, amongst others, the Company, certain of its subsidiaries and the Trustee as amended, varied and supplemented from time to time including by a supplemental indenture dated 24 April 2012 and a second supplemental indenture dated 11 October 2013



“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, Mr. James Downing, Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. George Jay Hambro and the non-executive Director, Mr. Lu Chuan, which will be formed to advise the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver
“Independent Financial Advisor”	Somerley Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, independent financial advisor appointed by the Company to advise the Independent Shareholders as well as the Independent Board Committee on, among other things, the Rights Issue and the Whitewash Waiver
“Independent Shareholder(s)”	the Shareholder(s) other than (i) Mr. Wang and his concert parties and (ii) those who are involved or interested in the Rights Issue and/or the Whitewash Waiver
“Interest Payments”	the scheduled interest payments of US\$13.15 million in relation to the Senior Notes which fell due on each of 8 April 2015 and 8 November 2015, respectively
“Interim Report”	the Company’s interim report for the six months ended 30 June 2015
“Interim Results”	the Company’s interim results for the six months ended 30 June 2015
“Irrevocable Undertaking”	the conditional irrevocable undertaking letter dated 25 November 2015 given by Mr. Wang in favour of the Company and the Trustee, for the benefit of the Bondholders, as described in the section headed “Entering into the conditional Irrevocable Undertaking” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Long Stop Date”	31 March 2016 (or such later date as may be agreed by the Company and the Steering Committee Majority)
“Mr. Wang”	Mr. Wang Xingchun (王興春先生), the controlling Shareholder
“parties acting in concert”	has the meaning ascribed to it under the Takeovers Code
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Prospectus Documents”	including (i) the prospectus to be issued by the Company in relation to the Rights Issue, (ii) the provisional allotment letter(s) for the Rights Issue and (iii) the application form(s) for excess Rights Shares to be used in connection with the Rights Issue
“Provisional Liquidation Event”	the judicial appointment of one or more provisional liquidators (or analogous officeholders) to the Company and/or any Subsidiary Guarantor or any steps being taken in relation thereto
“Recognition Filings”	(i) the filing of a petition for recognition of the Hong Kong Scheme under Chapter 15 of the U.S. Bankruptcy Code, and (ii) the filing of a request for the U.S. Bankruptcy Court to grant a Chapter 15 Scheme Order
“Record Date”	the date for determining the entitlement of the qualifying Shareholders whose name(s) appear(s) on the register of members of the Company on the date for determining the entitlement of the qualifying shareholders to the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Restricted Action”	(a) the acceleration of any liabilities or any declaration that any liabilities are prematurely due and payable or payable on demand in respect of the Senior Notes and any Security Documents; (b) the making of any demand against the Company and/or any Group entity under or in relation to any guarantee, indemnity, surety or other assurance against loss in respect of the Senior Notes and any Security Documents; (c) enforcing or requiring the enforcement of any security created under any Security Document; (d) the suing for, commencing or joining of any legal or arbitration proceedings against the Company or any Group entity to recover any liabilities due and payable pursuant to the Indenture; and (e) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, provisional liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any analogous procedure or step in any jurisdiction

“Restructuring”	the transactions contemplated under the Debt Restructuring and the possible Rights Issue
“Restructuring Documents”	all documents, agreements and instruments necessary to implement the Restructuring in accordance with the Restructuring Support Agreement and the Term Sheet
“Restructuring Effective Date”	the date on which the Restructuring is completed
“Restructuring Support Agreement”	the restructuring support agreement dated 25 November 2015 entered into between the Company, certain Consenting Bondholders and the Subsidiary Guarantors
“Rights Issue”	the issue of the Rights Shares by the Company on the terms and the conditions to be set out in the Prospectus Documents
“Rights Share(s)”	new Shares proposed to be provisionally allotted and issued to the qualifying Shareholders for subscription pursuant to the possible Rights Issue
“Scheme Meetings”	collectively, (i) a meeting of the Bondholders in relation to the Hong Kong Scheme, as convened by order of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Hong Kong Scheme; (ii) and a meeting of the Bondholders in relation to the BVI Scheme, as convened by order of the BVI Court for the purpose of considering and, if thought fit, approving the BVI Scheme; and “Scheme Meeting” shall mean either one of them
“Scheme Share(s)”	new Shares proposed to be provisionally allotted and issued to the Bondholders pursuant to the Debt Restructuring
“Schemes”	collectively, the BVI Scheme and the Hong Kong Scheme
“Senior Notes”	the US\$500,000,000 8.50% senior notes due 2016 issued by the Company on 8 April 2011 of which approximately US\$309,310,000 in principal amount currently remain outstanding
“SFC”	the Hong Kong Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares

“Steering Committee”	the ad hoc group of Bondholders, as constituted from time to time, formed for the purposes of facilitating discussions between the Bondholders and the Company about the possible restructuring of the Senior Notes
“Steering Committee Majority”	any member or members of the Steering Committee who in aggregate are the beneficial owner(s) and/or the owner(s) of the ultimate economic interest in those Senior Notes of more than 50% by principal face value of the total Senior Notes held by the Steering Committee at the time any such approval, consent or opinion is provided
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	certain subsidiaries of the Company which are parties of the Restructuring Support Agreement
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Term Sheet”	the term sheet appended to the Restructuring Support Agreement
“Triggering Event”	has the meaning ascribed to it in the section headed “Principal Terms of CVRs” in this announcement
“Trustee”	Deutsche Bank Trust Company Americas in its capacity as trustee under the Indenture (or any successor trustee appointed under the terms of the Indenture)
“U.S.”	the United States of America
“U.S. Bankruptcy Court”	the United States Bankruptcy Court for the District of Manhattan
“US\$” or “U.S. dollars”	United States dollars

“Whitewash Waiver”

the waiver by the Executive under Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of Mr. Wang to make a mandatory general offer to the Shareholders, for all issued shares of the Company, except that not already owned or agreed to be acquired by Mr. Wang, which would otherwise arise as a result of the completion of the Rights Issue

“%”

per cent

By Order of the Board  
**Winsway Enterprises Holdings Limited**  
**Cao Xinyi**  
*Company Secretary*

Hong Kong, 26 November 2015

*As at the date of this announcement, the executive Directors of the Company are Ms. Cao Xinyi, Ms. Zhu Hongchan, Mr. Wang Yaxu, and Mr. Feng Yi, the non-executive Director of the Company is Mr. Lu Chuan and the independent non-executive Directors are Mr. James Downing, Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. George Jay Hambro.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*