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**太陽國際資源有限公司**  
**SUN INTERNATIONAL RESOURCES LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8029)**

**DISCLOSEABLE TRANSACTION**

The Board announces that on 20 June 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale of Business Agreement with the Vendor, in relation to the Acquisition, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell the Business and Assets for a cash consideration of A\$8,545,001 (subject to adjustment). Contemporaneously with the signing of the Sale of Business Agreement, (i) the Purchaser entered into the Sale of Land Agreement with the Vendor in relation to the acquisition of the Land from the Vendor for a cash consideration of A\$4,454,999; (ii) the Purchaser entered into the Licence Deed with the Vendor in relation to the grant of licence to operate the Business and the occupy of the Land by the Vendor; and (iii) the Purchaser entered into the Sale of Interests Agreement with SFB in relation to the acquisition of the SFB Interests from SFB for a cash consideration of A\$4,800,000.

As one or more applicable percentage ratios of the Transactions exceeds 5% but are less than 25%, the Transactions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 20 June 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale of Business Agreement with the Vendor, in relation to the Acquisition, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell the Business and Assets for a cash consideration of A\$8,545,001 (subject to adjustment). Contemporaneously with the signing of the Sale of Business Agreement, (i) the Purchaser entered into the Sale of Land Agreement with the Vendor in relation to the acquisition of the Land from the Vendor for a cash consideration of A\$4,454,999; (ii) the Purchaser entered into the Licence Deed with the Vendor in relation to the grant of licence to operate the Business and the occupy of the Land by the Vendor; and (iii) the Purchaser entered into a Sale of Interests Agreement with SFB in relation to the acquisition of the SFB Interests from SFB for a cash consideration of A\$4,800,000.

The Sale of Business Agreement, the Sale of Land Agreement and the Licence Deed are inter-conditional on each other. Principal terms of the Sale of Business Agreement, the Sale of Land Agreement, the Licence Deed and the Sale of Interests Agreement are set out below.

## **(I) THE SALE OF BUSINESS AGREEMENT**

### **Date:**

20 June 2013

### **Parties**

Purchaser: the Purchaser  
Vendor: the Vendor  
Guarantor: the Guarantor  
Receivers: the Receivers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the Receivers are Independent Third Parties.

### **Assets to be acquired**

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Business and the Assets subject to rights and obligations of the syndicate deeds, constitutions or ownership agreements to which the interests in the 11 stallions relate.

### **Consideration**

The consideration of A\$8,545,001 (subject to adjustment) for the Business and the Assets is payable in the following manner:

- (i) a deposit of A\$2,600,000 has been paid in bank cheque or cleared funds upon signing of the Sale of Business Agreement;
- (ii) a part payment of A\$3,900,000 shall be paid in bank cheque or cleared funds 30 calendar days from the date of the Sale of Business Agreement; and
- (iii) the balance of A\$2,045,001 shall be paid in bank cheque or cleared funds upon completion of the Acquisition.

The deposit is non-refundable.

The consideration for the Business and Assets was arrived at after arm's length negotiations between the parties to the Sale of Business Agreement after having taken into account the market price of business of a similar nature. The consideration will be financed by internal resources of the Group.

The Directors consider that the consideration for the Acquisition, arrived at after arm's length negotiations, is fair and reasonable.

### **Adjustment to the consideration**

The total consideration will be reduced by the total of 70% of the monetary value of (i) annual leave, (ii) long service leave, (iii) unpaid superannuation and (iv) personal leave capped at a maximum of A\$125,000, of the employees who will enter into employment agreements with the Purchaser on the date of the Sale of Business Agreement.

### **Conditions precedent**

Completion shall be conditional upon:

- (1) the completion of the Sale of Interests Agreement on or before the completion of the Sale of Business Agreement;
- (2) releases of the encumbrances registered on the Personal Property Securities Register;
- (3) the Vendor and Kennsville entering into a lease for the Land on terms reasonably acceptable to the Purchaser.

A condition precedent may only be waived in writing by the party benefiting from that condition precedent and will be effective only to the extent specifically set out in that waiver.

### **Employees**

Pursuant to the Sale of Business Agreement, the Purchaser will make offers of employment to each of the existing employees of the Vendor. Upon completion of the Sale of Business Agreement, the Purchaser will assume all employee leave entitlements.

### **Guarantee**

In consideration of the Vendor agreeing to enter into the Sale of Business Agreement, the Guarantor has agreed to guarantee the performance of the obligations of the Purchaser under the Sale of Business Agreement.

### **Adjustment at completion of the Sale of Business Agreement**

At the completion of the Sale of Business Agreement:

- (a) the Purchaser must reimburse the Vendor for (i) any payments made in advance by the Vendor in respect of goods to be supplied and services to be rendered to the Business and (ii) any other payment made in advance by the Vendor in respect of the Business prior to the completion of the Sale of Business Agreement; and

- (b) the Vendor must reimburse the Purchaser for (i) any payments received in advance by the Vendor prior to the completion of the Sale of Business Agreement in respect of goods to be supplied or services to be rendered after that time, (ii) any goods supplied and services rendered to the Vendor in respect of the Business prior to the Sale of Business Agreement, payment for which must be made by the Purchaser after that time and (iii) any payment which the Purchaser will become liable to make in respect of the Business after the completion of the Sale of Business Agreement, the benefit of which was received by the Receivers before that time.

### **Completion**

Completion of the Sale of Business Agreement shall take place at 4:00 p.m. on the 60th day from the date of the Sale of Business Agreement or any other date as may be agreed by the parties.

## **(II) THE SALE OF LAND AGREEMENT**

### **Date:**

20 June 2013

### **Parties**

Purchaser: Sun Farm  
Vendor: Kennsville

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kennsville is principally engaged in investment holding and is an Independent Third Party.

### **Assets to be acquired**

The Land, including all improvements and fixtures.

### **Consideration**

The consideration of A\$4,454,999 for the Land is payable in cash on the dates of completion of the Sale of Business Agreement.

The consideration for the Land was arrived at after arm's length negotiations between the parties to the Sale of Land Agreement after having taken into account the market price of similar land. The consideration will be financed by internal resources of the Group.

The Directors consider that the consideration for the Land, arrived at after arm's length negotiations, is fair and reasonable.

## **Completion**

Completion of the Sale of Land Agreement shall take place between the hours of 10:00 a.m. and 3:00 p.m. on the date of completion of the Sale of Business Agreement.

## **Guarantee**

The Purchaser shall procure the Guarantor to deliver and execute a deed of guarantee and indemnity in favour of Kennsville to guarantee the performance of the obligations of the Purchaser under the Sale of Land Agreement on completion of the Sale of Land Agreement.

## **(III) LICENCE DEED**

### **Date:**

20 June 2013

### **Parties**

Licensor of the Business:	the Vendor
Licensor of the Land:	Kennsville
Licensee of the Business and the Land:	the Purchaser
Guarantor:	the Guarantor
Receivers:	the Receivers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kennsville is principally engaged in investment holding and the Vendor, Kennsville and the Receivers are Independent Third Parties.

### **Licence fee**

Pursuant to the Licence Deed, (i) the Vendor has agreed to grant a licence to the Purchaser to operate the Business at a monthly licence fee of A\$1.00; and (ii) Kennsville has agreed to grant a licence to the Purchaser to occupy the Land at no consideration, during the licence period (as set out below).

### **Licence period**

The licence period shall commence from the date of the Licence Deed to the completion of the Sale of Business Agreement and the Sale of Land Agreement or termination of the Sale of Business Agreement and/or the Sale of Land Agreement.

### **Guarantee**

In consideration of the Vendor agreeing to enter into the Licence Deed, the Guarantor has agreed to guarantee the performance of the obligations of the Purchaser under the Licence Deed.

#### **(IV) SALE OF INTERESTS AGREEMENT**

**Date:**

20 June 2013

**Parties**

Purchaser: the Purchaser

Vendor: SFB

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SFB is principally engaged in financial investments and is an Independent Third Party.

**Assets to be acquired**

The Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the SFB Interests.

**Consideration**

The consideration of A\$4,800,000 for the SFB Interests is payable in the following manner:

- (i) a deposit of A\$960,000 has been paid in cash upon signing of the Sale of Interests Agreement;
- (ii) a part payment of A\$1,440,000 shall be paid in cash upon completion of the Sale of Interests Agreement; and
- (iii) the balance of A\$2,400,000 shall be paid in cash on 30 June 2014.

The deposit will be forfeited to SFB if the Sale of Interests Agreement is terminated by:

- (i) SFB, due to a breach of the Sale of Interests Agreement by the Purchaser; or
- (ii) SFB or the Purchaser, in circumstances where SFB is ready, willing and able to complete but the condition precedent under the Sale of Interests Agreement has not been satisfied through no fault of SFB.

Subject to the terms and conditions of the Sale of Interests Agreement, upon termination of the Sale of Interests Agreement, the deposit paid by the Purchaser towards the purchase price of the SFB Interests will be refunded to the Purchaser.

The consideration for the SFB Interests was arrived at after arm's length negotiations between the parties to the Sale of Interests Agreement after having taken into account the valuation provided by the broker, William Inglis & Son Limited. The consideration will be financed by internal resources of the Group.

The Directors consider that the consideration for the SFB Interests, arrived at after arm's length negotiations, is fair and reasonable.

### **Conditions precedent**

Completion shall be conditional upon:

- (1) the completion of the Sale of Business Agreement;
- (2) the completion of the Sale of Land Agreement; and
- (3) SFB is distributed the portion funds from the sale proceeds under the Sale of Business Agreement and the Sale of Land Agreement from the Receivers on terms agreed by SFB and the Receivers.

If the conditions have not been satisfied or waived before 30 August 2013, either party may, by notice in writing to the other terminate its obligations under the Sale of Interests Agreement, except that a party may not give notice if it is in default of obligation under the Sale of Interests Agreement. Upon termination, the Sale of Interests Agreement has no further effect and neither SFB nor the Purchaser are liable to each other except the obligations under the provisions for duty of confidentiality, taxation liabilities, deposits payment and in respect of any breach of the Sale of Interests Agreement occurring before termination of the Sale of Interests Agreement.

### **Completion**

Completion of the Sale of Interests Agreement shall take place at 11:00 a.m. on 15 August 2013 or on at any other date as SFB and the Purchaser may agree.

### **Security Deed**

On completion of the Sale of Interests Agreement, the Purchaser must deliver to SFB a duly executed Security Deed.

Pursuant to the Security Deed, the Purchaser shall grant to SFB a security interest in, amongst other things, (i) the Purchaser's interest in the 7 stallions under the Sale of Interests Agreement, (ii) the share of income from the breeding activities of the 7 stallions from the 2013 Southern Hemisphere breeding season and afterwards and (iii) all proceeds in connection with the 7 stallions as security for, amongst other things, all money, actually or contingent, liable to be paid by the Purchaser to SFB, financial accommodation provided by SFB to the Purchaser and income derived from the 7 stallions.

Also pursuant to the Security Deed, at any time after an event of default occurs, SFB may notify the Purchaser that it wishes to acquire the interests of the 7 stallions under the Sale of Interests Agreement for a purchase price of A\$750,000.

## INFORMATION ON THE BUSINESS, ASSETS, LAND AND LICENCE

The Business has been operated by the Vendor since 1998. The Business including those operated under the names “Eliza Park” and “The Eliza Bloodstock Agency” is principally engaged in racehorse breeding, agistment and pre-training in Australia. On 7 June 2013, receivers and managers were appointed to the Vendor and Kennsville.

The Assets are all properties of the Vendor (other than the Excluded Assets) used in the Business.

The Land is a parcel of land with a site area of 425.2 acres located at 56 and 146 Mt Eliza Road, Riddells Creek, Victoria, Australia and is the site where the Business is being operated.

The Licence is acquired for the continuation of the Business.

### Financial information on the Business and the Land

Set out below is a summary of the unaudited financial information of the Business and the Land as provided by the Vendor.

	<b>For the year ended 30 June</b>	
	<b>2011</b>	<b>2012</b>
	<i>A\$</i>	<i>A\$</i>
Net loss before taxation	200,000	200,000
Net loss after taxation	<u>200,000</u>	<u>200,000</u>
		<b>As at</b>
		<b>30 June 2012</b>
		<i>A\$</i>
Book value		<u>14,000,000</u>

### REASONS FOR THE TRANSACTIONS

The Group is principally engaged in provision of computer hardware and software services, hotel operation and management services, mining iron ores and minerals.

The Directors have been identifying further investment opportunities in order to diversify its existing business and to maximise the return of the shareholders of the Company. Having considered the existing operations and resources of the Group, the Board considers that it is feasible for the Group to engage in racehorse breeding, agistment and pre-training alongside its existing principal businesses. The Board also considers that the Acquisition and the entering into of the Transactions provide a good opportunity for the Group to develop this new line of business.



Accordingly, the Directors are of the view that the terms of the Sale of Business Agreement, the Sale of Land Agreement, the Licence Deed and the Sale of Interests Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more applicable percentage ratios of the Transactions exceeds 5% but are less than 25%, the Transactions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Business and the Assets by the Purchaser pursuant to the terms of the Sale of Business Agreement
“Assets”	all properties of the Vendor (other than the Excluded Assets) used in the Business comprising:  (a) plant and equipment;  (b) the goodwill of the Business;  (c) intellectual property;  (d) the interests in 11 stallions;  (e) the permits and licences;  (f) agreements;  (g) the inventory  (h) the leases on 7 leased properties, to the extent that they are capable of assignment; and  (i) the business records
“Board”	the board of Directors
“Business”	all of the business operations and activities including those businesses operated under the names “Eliza Park” and “The Eliza Bloodstock Agency”

“Company”	Sun International Resources Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to that term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Excluded Assets”	the assets not being sold to the Purchaser under the Sale of Business Agreement and shall comprise of: <ul style="list-style-type: none"> <li>(a) the debtors;</li> <li>(b) interests in any foal shares;</li> <li>(c) interests in any mares; and</li> <li>(d) cash at bank</li> </ul>
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Sun Macro Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and its connected persons
“Kennsville”	Kennsville Pty Limited (receivers and manager appointed), the vendor of the Land under the Sale of Land Agreement, an Independent Third Party
“Land”	a piece and parcel of land with a site area of 425.2 acres located at 56 and 146 Mt Eliza Road, Riddells Creek, Victoria, Australia
“Licence”	the licence granted to the Purchaser by the Vendor pursuant to the Licence Deed

“Licence Deed”	the licence deed dated 20 June 2013 and entered into amongst the Purchaser, the Vendor, Kennsville, the Guarantor and the Receivers in relation to the grant of licence to the Purchaser to operate the Business and to occupy the Land
“Purchaser”	Eliza Park International Pty Limited, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Receivers”	Mr. Christopher Clarke Hill and Mr. Stephen Graham Longley
“Sale of Business Agreement”	the agreement for sale and purchase dated 20 June 2013 entered into amongst the Purchaser, the Vendor, the Guarantor and the Receivers in relation to the Acquisition
“Sale of Interests Agreement”	the agreement for sale and purchase dated 20 June 2013 entered into between the Purchaser and SFB in relation to the acquisition of the SFB Interests
“Sale of Land Agreement”	the agreement for sale and purchase dated 20 June 2013 entered into between Kennsville and Sun Farm in relation to the acquisition of the Land
“Security Deed”	the security deed to be executed by the Purchaser in favour of SFB pursuant to the terms and conditions of the Sale of Interests Agreement upon completion of the Sale of Interests Agreement
“SFB”	SF Bloodstock LLC, the vendor of the SFB Interests under the Sale of Interests Agreement, an Independent Third Party
“SFB Interests”	the percentage interests of SFB in 7 stallions
“Sun Farm”	Sun Farm Land Pty Limited, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Transactions”	the transactions contemplated under the Sale of Business Agreement, the Sale of Land Agreement, the Licence Deed and the Sale of Interests Agreement

“Vendor”	Mr. Lee James Fleming trading as Eliza Park (receivers and manager appointed), the vendor of the Business and the Assets under the Sale of Business Agreement, an Independent Third Party
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“%”	per cent

By Order of the Board  
**Sun International Resources Limited**  
**Chau Cheok Wa**  
*Chairman*

Hong Kong, 23 June 2013

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chau Cheok Wa, Ms. Yeung So Lai, Ms. Cheng Mei Ching and Mr. Lee Chi Shing, Caesar and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Wang Zhigang.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of posting and on the designed website of this Company at <http://www.sun8029.com/>.*