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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)

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF SUN FINANCE COMPANY LIMITED**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

THE ACQUISITION

The Board is pleased to announce that on 29 September 2017 (after trading hours), the Vendors, the Guarantors and the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, at a total Consideration of HK\$378,000,000, which shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Notes to the Vendors (or their respective nominees) upon Completion.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, each of the Vendors is beneficially owned as to 50% by Guarantor A, an executive Director and the chairman of the Company and as to 50% by Guarantor B. Each of the Guarantors holds 50% of the issued share capital of First Cheer Holdings Limited, which in turn holds 654,677,040 Shares, representing approximately 47.05% of the issued share capital of the Company as at the date of this announcement. The Guarantors are therefore controlling Shareholders of the Company. Accordingly, each of the Vendors is a connected person of the Company under the GEM Listing Rules and the Acquisition shall constitute a connected transaction on the part of the Company under the GEM Listing Rules.

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

The EGM will be convened at which the Independent Shareholders will consider, and, where appropriate, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Acquisition is subject to, among others, the approval by the Independent Shareholders at the EGM. Each of the Vendors, the Guarantors and their respective associates, being interested in 654,677,040 Shares together as at the date of this announcement, is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the date of this announcement, no other Shareholder has material interest in the Acquisition and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other matters, (i) further details of the Acquisition; (ii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice to convene the EGM will be despatched to the Shareholders. As the Company expects that additional time is required to prepare and finalise certain information to be included in the circular, the despatch date of the circular is expected to be on or before 3 November 2017.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

Shareholders and potential investors should note that Completion is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 29 September 2017 (after trading hours), the Vendors, the Guarantors and the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, at a total Consideration of HK\$378,000,000.

THE SALE AND PURCHASE AGREEMENT

Date: 29 September 2017 (after trading hours)

Vendors: (1) Eminent Crest Holdings Limited, as Vendor A;
(2) Peak Stand Holdings Limited, as Vendor B; and
(3) Sheen Light Holdings Limited, as Vendor C

Guarantors: (1) Mr. Cheng Ting Kong, as Guarantor A; and
(2) Mr. Chau Cheok Wa, as Guarantor B

Purchaser: Pioneer Frontier Limited, a wholly-owned subsidiary of the Company

The Vendors are companies incorporated in BVI with limited liability and are principally engaged in investment holding. As at the date of this announcement, each of the Vendors is beneficially owned as to 50% by Guarantor A, an executive Director and the chairman of the Company and as to 50% by Guarantor B. Each of the Guarantors holds 50% of the issued share capital of First Cheer Holdings Limited, which in turn holds 654,677,040 Shares, representing approximately 47.05% of the issued share capital of the Company as at the date of this announcement. The Guarantors are therefore controlling Shareholders of the Company. Accordingly, each of the Vendors is a connected person of the Company under the GEM Listing Rules.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendors shall as beneficial owners sell and the Purchaser shall purchase the Sale Shares free from all Encumbrances with effect from Completion together with all rights attaching thereto including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Shares unless the sale and purchase of the Sale Shares are completed simultaneously.

Consideration

The total Consideration payable for the sale and purchase of the Sale Shares shall be HK\$378,000,000, of which HK\$143,640,000, HK\$219,240,000 and HK\$15,120,000 shall be payable to Vendor A, Vendor B and Vendor C (or their respective nominees) respectively.

The Consideration shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Notes to Vendor A, Vendor B and Vendor C (or their respective nominee(s)), in the amounts of HK\$143,640,000, HK\$219,240,000 and HK\$15,120,000 respectively, upon Completion.

The Consideration was arrived at after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms by taking into account the net asset value of the Target Company attributable to the Sale Shares. The Directors (excluding the independent non-executive Directors whose views will be rendered after considering the recommendation from the independent financial adviser of the Company) consider the terms and conditions of the Sale and Purchase Agreement have been arrived at after arm's length negotiations between the Purchaser and the Vendors, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Acquisition is conditional upon and subject to:

- (1) the Purchaser being satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Company;
- (2) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendors and the Target Company in respect of the Sale and Purchaser Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (3) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (4) the passing by the Independent Shareholders at the EGM of all necessary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Promissory Notes) and all other consents and acts required under the GEM Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (5) all representations, warranties and undertakings given by the Vendors under the Sale and Purchase Agreement remaining true and correct in all respects and not misleading; and
- (6) the Purchaser having reasonably satisfied that there has not been any material adverse change on the Target Company since the date of the Sale and Purchase Agreement.

The Vendors shall use their best endeavours to procure the fulfillment of the conditions set out in Clause (1), (2), (5) and (6) above. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions precedent set out in (3) and (4) above by the Long Stop Date and may in its absolute discretion at any time waive the condition set out in (1) above by notice in writing. Neither the Purchaser nor the Vendors may waive any of the conditions set out in (2), (3), (4), (5) and (6) above.

If the conditions set out above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Guarantee provided by the Guarantors

Pursuant to the Sale and Purchase Agreement, each of the Guarantors has irrevocably and unconditionally guaranteed to the Purchaser the due and punctual performance of the Vendors under the Sale and Purchase Agreement. The obligations of the Guarantors shall be continuing obligations and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of or any bankruptcy, winding up or analogous proceedings relating to any of the parties to the Sale and Purchase Agreement.

Completion

Completion shall take place within ten Business Days after the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement or such other date as the Vendors and the Purchasers may agree in writing.

Recovery of overdue amounts by the Target Company

Pursuant to the Sale and Purchase Agreement, the Vendors and the Purchaser Agree that the Vendors shall jointly and severally assume all liabilities and obligations to satisfy all claims and demands arising out of and in connection with the Litigation Case.

If any amount is recovered from the Overdue Loan, the Purchaser shall procure the Target Company to refund such amount, after deducting the expenses reasonably incurred by the Target Company in connection with the Litigation Case, to the Vendors without interest within 30 days from the date of receipt of the Judgment Notice (as defined below). If the Target Company is unable to recover any amount from the Overdue Loan, the Vendors shall pay to the Target Company all expenses reasonably incurred by the Target Company in connection with the Litigation Case within 30 days from the date of receipt of the Judgment Notice (as defined below).

The Target Company shall, within 30 days from the date of the judgment of the Litigation Case, notify the Vendors in writing the results of the judgement of Litigation Case and the amounts payable by/to the Vendors in accordance with the provisions set out above (the “**Judgment Notice**”). The Judgment Notice shall, in the absence of manifest error, be final and conclusive and binding on the Target Company and the Vendors.

Promissory Notes

The principal terms of the Promissory Notes are summarised below:

- Parties: (1) the Company, as issuer and
(2) the Vendors, as payees
- Principal amount: HK\$378,000,000 as to (a) HK\$143,640,000 to Vendor A (or its nominees); (b) HK\$219,240,000 to Vendor B (or its nominees); and (c) HK\$15,120,000 to Vendor C (or its nominees) respectively
- Interest: 7% per annum payable semi-annually in arrears
- Maturity: the date falling on the third anniversary from the date of issue
- Transferability: The Promissory Notes may, with five (5) business days’ prior notice in writing to the Company of the relevant payee’s intention to transfer or assign the Promissory Notes, be freely transferable and assignable by such payee to any other person and any subsequent holder of the Promissory Notes will (except as otherwise required by law) be treated as the absolute owner of the Promissory Notes for all purposes.
- Redemption: Provided that the Company has given to the payee not less than ten (10) business days’ prior notice in writing, the Company shall have the right at any time prior to the maturity date of the Promissory Notes redeem any part the outstanding principal amount of Promissory Notes in whole or in part (in multiples of HK\$1,000,000).

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability on 24 November 2004. It is a licensed money lender and has been principally engaged in the provision of money lending business since 2009. The Target Company was acquired by the Vendors from Independent Third Parties in 2008 at an aggregate consideration of HK\$500,000. The Target’s loan portfolio consists of large loans as well as small personal loans which are provided to both individual and corporate clients, mainly SMEs.

Financial information of the Target Company

Set out below is a summary of the key financial data of the Target Company based on the audited financial statements of the Target Company for the years ended 31 March 2015 and 31 March 2016 and the unaudited management accounts of the Target Company for the year ended 31 March 2017 as provided by the Vendors which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 March 2015 <i>(audited)</i> <i>HK\$'000</i>	For the year ended 31 March 2016 <i>(audited)</i> <i>HK\$'000</i>	For the year ended 31 March 2017 <i>(audited)</i> <i>HK\$'000</i>
Revenue	122,481	79,983	96,731
Net profit before tax	111,764	44,010	78,222
Net profit after tax	93,280	36,692	65,314
Net assets	712,411	749,103	814,417

The unaudited net assets value of the Target Company as at 31 July 2017 amounted to approximately HK\$375,000,000. The decrease in the net assets value of the Target Company from 31 March 2017 to 31 July 2017 was mainly attributable to the declaration of dividends in the aggregate amount of approximately HK\$455.9 million to the Vendors in the four months ended 31 July 2017. The entire amount of the dividends declared represents the retained earnings of the Target Company as at 31 March 2017 and the unaudited net profit after tax of the Target Company for the four months ended 31 July 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in the provision of computer software services, equine services, the provision of type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in Hong Kong, and the money lending business.

The Directors consider that the Acquisition, if materialises, represents a good opportunity for the Group to strengthen the development of money lending business of the Group, enhance future Shareholders' return following the Acquisition.

Having considered the factors as mentioned above, the Directors (excluding the independent non-executive Directors whose views will be rendered after considering the recommendation from the independent financial adviser of the Company) are of the view that the terms of the Sale and Purchase Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Guarantor A, who is a 50% beneficial owner of each of the Vendors and an executive Director, has a material interest in the Acquisition and has abstained from voting on the relevant Board meeting for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, each of the Vendors is beneficially owned as to 50% by Guarantor A, an executive Director and the chairman of the Company and as to 50% by Guarantor B. Each of the Guarantors holds 50% of the issued share capital of First Cheer Holdings Limited, which in turn holds 654,677,040 Shares, representing approximately 47.05% of the issued share capital of the Company as at the date of this announcement. The Guarantors are therefore controlling Shareholders of the Company. Accordingly, each of the Vendors is a connected person of the Company under the GEM Listing Rules and the Acquisition shall constitute a connected transaction on the part of the Company under the GEM Listing Rules.

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

The EGM will be convened at which the Independent Shareholders will consider, and, where appropriate, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Acquisition is subject to, among others, the approval by the Independent Shareholders at the EGM. Each of the Vendors, the Guarantors and their respective associates, being interested in 654,677,040 Shares together as at the date of this announcement, is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the date of this announcement, no other Shareholder has material interest in the Acquisition and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other matters, (i) further details of the Acquisition; (ii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice to convene the EGM will be despatched to the Shareholders. As the Company expects that additional time is required to prepare and finalise certain information to be included in the circular, the despatch date of the circular is expected to be on or before 3 November 2017.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

Shareholders and potential investors should note that Completion is subject to various conditions as stated in the section headed “Conditions precedent” in this announcement. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Purchaser of the Sale Shares from the Vendors subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout the normal working hours
“BVI”	the British Virgin Islands
“Company”	Sun International Resources Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of Completion
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder

“Encumbrance”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest of any agreement for any of the same
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor A”	Mr. Cheng Ting Kong, an executive Director and the chairman of the Company and a controlling Shareholder
“Guarantor B”	Mr. Chau Chok Wa, a controlling Shareholder
“Guarantors”	Guarantor A and Guarantor B
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders as to the fairness and reasonableness of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) (other than the Vendors, the Guarantors and their respective associates) and all other Shareholders who are interested in the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Litigation Case”	the legal proceedings commenced by the Target Company against Advance Day Investments Limited in respect of the recovery of the Overdue Loan
“Long Stop Date”	31 December 2017 or such later date as the Vendors and the Purchaser may agree in writing

“Overdue Loan”	the loan granted by the Target Company to Advance Day Investments Limited in the principal amount of HK\$50,000,000, the whole amount of which had been fully impaired
“Promissory Notes”	the three-year 7% coupon promissory notes to be issued by the Company to the Vendors (or their respective nominees) in the aggregate principal amount of HK\$378,000,000 as the Consideration
“Purchaser”	Pioneer Frontier Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 September 2017 and entered into between the Vendors, the Guarantors and the Purchaser in relation to the Acquisition
“Sale Shares”	375,000,000 ordinary shares in the share capital of the Target Company, of which 142,500,000 shares, 217,500,000 shares and 15,000,000 shares are legally and beneficially owned by Vendor A, Vendor B and Vendor C respectively, being the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sun Finance Company Limited, a company incorporated in Hong Kong with limited liability and a licensed money lender
“Vendor A”	Eminent Crest Holdings Limited, a company incorporated in BVI with limited liability
“Vendor B”	Peak Stand Holdings Limited, a company incorporated in BVI with limited liability
“Vendor C”	Sheen Light Holdings Limited, a company incorporated in BVI with limited liability
“Vendors”	collectively, Vendor A, Vendor B and Vendor C

“HK\$”

Hong Kong dollars, the lawful currency for the time being of Hong Kong

By order of the Board
Sun International Resources Limited
Cheng Ting Kong
Chairman

Hong Kong, 29 September 2017

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching and Mr. Lui Man Wah and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun.

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 issuer. 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 herein or this document misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at 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/>.