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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)

- (1) PROPOSED OPEN OFFER IN THE PROPORTION OF ONE (1) OFFER SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE;**
(2) APPLICATION FOR WHITEWASH WAIVER;
(3) PROPOSED SHARE CONSOLIDATION; AND
(4) RESUMPTION OF TRADING

PROPOSED OPEN OFFER

The Board proposes to raise not less than approximately HK\$46.4 million before expenses by issuing not less than 463,800,000 Offer Shares and not more than 590,554,891 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date.

To qualify for the Open Offer, Shareholders must be registered as members of the Company on the Record Date and must not be a Prohibited Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar on or before 4:30 p.m. on Thursday, 5 December 2013, being the Latest Lodging Date. The register of members for the Shares will be closed from Friday, 6 December 2013 to Monday, 9 December 2013, both dates inclusive.

Pursuant to the Underwriting Agreement, First Cheer has conditionally agreed to fully underwrite all the Offer Shares. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “Underwriting arrangement” of this announcement.

The Open Offer is subject to the satisfaction of certain conditions as described under the section headed “Conditions of the Open Offer”. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) prior to 4:00 p.m. on the third Business Day following the Latest Time for Acceptance. Accordingly, the Open Offer may or may not become unconditional and may or may not proceed. Investors’ attention is drawn to the section headed “WARNING OF THE RISK OF DEALING IN SHARES” below.

Shareholders and potential investors of the Company are advised to exercise caution when dealings in the Shares and the Offer Shares up to the date when the conditions of the Open Offer are fulfilled.

APPLICATION FOR WHITEWASH WAIVER

Assuming that no Shareholders have taken up any Offer Shares and there has been no exercise of the Share Options or the conversion rights attached to the Convertible Bonds, upon completion of the Open Offer, the taking up of (i) the Offer Shares to which First Cheer is entitled under the Open Offer, and (ii) the Underwritten Shares would result in the aggregate shareholding of First Cheer and its concert parties in the Company being increased from approximately 29.29% to approximately 52.86% and would therefore give rise to a mandatory offer obligation on the part of the Underwriter and its concert parties under Rule 26 of the Takeovers Code unless the Whitewash Waiver is obtained.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. 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, which Mr. Cheng, Mr. Chau, First Cheer and the parties acting in concert with any of them and those who are involved in or interested in the Open Offer and the Whitewash Waiver will abstain from voting on the relevant resolutions. The completion of the Open Offer is conditional upon, among other matters, the grant of the Whitewash Waiver by the Executive and the approval of the Independent Shareholders at the EGM. If the Whitewash Waiver is not granted by the Executive or the Whitewash Waiver is not approved at the EGM, the Open Offer will not proceed.

PROPOSED SHARE CONSOLIDATION

The Board proposes that conditional upon and immediately after completion of the Open Offer, the Company will implement the Share Consolidation on the basis that every two (2) Shares of HK\$0.04 each in the issued and unissued capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.08. As at the date of this announcement, there are 927,600,000 Shares of HK\$0.04 each in issue which are fully paid or credited as fully paid. Assuming there is no change in the total number of Shares in issue from the date of this announcement up to the date of completion of the Open Offer save for the 463,800,000 Offer Shares to be issued under the Open Offer, upon completion of the Open Offer, the total number of Shares in issue will be enlarged to 1,391,400,000 Shares.

Upon the Share Consolidation becoming effective, on the basis that the Company does not allot and issue any further Shares prior thereto save for the aforesaid 463,800,000 Offer Shares, there will be 695,700,000 Consolidated Shares of HK\$0.08 each in issue which are fully paid or credited as fully paid.

It is proposed that following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 5,000 Consolidated Shares. Based on the theoretical ex-entitlement price of approximately HK\$0.247 per Share (equivalent to approximately HK\$0.494 per Consolidated Share) as at the Last Trading Day, the value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be approximately HK\$2,470.

LISTING RULES IMPLICATIONS

The absence of excess application arrangement for the disposal of the Offer Shares not taken up under the Open Offer shall be specifically approved by the Independent Shareholders at the EGM by way of poll for the purpose of compliance with Rule 10.42 of the GEM Listing Rules.

GENERAL

The Open Offer is subject to the approval of the Independent Shareholders at the EGM.

As First Cheer, being the Underwriter to the Open Offer, is deemed to have a material interest in the Open Offer, Mr. Cheng, Mr. Chau, First Cheer and their respective concert parties and those who are involved in or interested in the Open Offer and the Whitewash Waiver will abstain from voting on the respective resolutions at the EGM for approving the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Offer Shares, the Whitewash Waiver and the absence of excess application arrangement under the Open Offer. The voting at the EGM will be taken by way of poll.

The Company will establish an independent board committee, which comprises all independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, to advise the Independent Shareholders as to whether the terms of the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser.

In this connection, the Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote. Further announcement will be made by the Company when the independent financial adviser is appointed.

A circular including, among other things, details of (i) the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (ii) the recommendation of the independent board committee in relation to the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (iv) the Share Consolidation; and (iv) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with Rule 8.2 of the Takeovers Code and the GEM Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions of the Open Offer being satisfied.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 15 October 2013 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 29 October 2013.

PROPOSED OPEN OFFER

The Board proposes to raise not less than approximately HK\$46.4 million before expenses by issuing not less than 463,800,000 Offer Shares and not more than 590,554,891 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date.

Issue statistics

Basis of the Open Offer: One (1) Offer Share for every two (2) Shares held on the Record Date

Number of Shares in issue: 927,600,000 Shares as at the date of this announcement

Number of outstanding Share Options:	231,000,000 Share Options entitle the holders to subscribe for an aggregate of 231,000,000 Shares as at the date of this announcement
Outstanding principal amount of Convertible Bonds	RMB33,000,000 carrying rights to convert into an aggregate of 22,509,783 Conversion Shares as at the date of this announcement
Number of Offer Shares:	not less than 463,800,000 Offer Shares and not more than 590,554,891 Offer Shares
Number of Offer Shares undertaken to be taken up by First Cheer:	Pursuant to the Underwriting Agreement, First Cheer has given the irrevocable First Cheer Undertaking in favour of the Company that, among others, (i) the 271,655,000 Shares registered in the name of and beneficially owned by First Cheer will remain registered in the name of and beneficially owned by First Cheer before the date when the announcement of the results of the Open Offer is published; (ii) First Cheer will accept its entitlements under the Open Offer for an aggregate of 135,827,500 Offer Shares; and (iii) First Cheer will lodge the application form in respect of the Offer Shares accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.
Number of Offer Shares underwritten by the First Cheer:	Not less than 327,972,500 Offer Shares and not more than 454,727,391 Offer Shares, being the total number of the Offer Shares less the number of the Offer Shares to be taken up by First Cheer. The Open Offer (other than the Offer Shares undertaken to be taken up by First Cheer under the First Cheer Undertaking) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

As at the date of this announcement, the Company has (i) 231,000,000 outstanding Share Options and which entitle holders thereof to subscribe for 231,000,000 Shares; and (ii) Convertible Bonds in the outstanding principal amount of RMB33,000,000 which entitle the holders thereof to subscribe for 22,509,783 Conversion Shares. Save as disclosed above, the Company does not have any other outstanding securities in issue which are convertible or exchangeable into Shares as at the date of this announcement. The Company has no intention to issue any new Shares and any other securities before the completion of the Open Offer.

As at the date of this announcement, the Company has not received any notice from the holders of the Share Options and Convertible Bonds of their intention to exercise any Share Options or conversion rights attached to the Convertible Bonds.

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.10 per Offer Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Open Offer. The net Subscription Price per Offer Share (after deducting the relevant expenses and assuming no Shares have been issued pursuant to the exercise of Share Options or the conversion rights attached to the Convertible Bonds) will be approximately HK\$0.097.

The Subscription Price represents:

- (i) a discount of approximately 68.75% to the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on 11 October 2013, being the Last Trading Day;
- (ii) a discount of approximately 59.51% to the theoretical ex-entitlements price of approximately HK\$0.247 per Share based on the closing price of HK\$0.32 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 69.04% to the average closing price of approximately HK\$0.323 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 71.35% to the average closing price of approximately HK\$0.349 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares and the working capital requirements of the Company. In view of the working capital requirements of the Group and taking into consideration of the theoretical price per Share, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of independent financial adviser) consider that the proposed discount of the Subscription Price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (a) the passing by the Independent Shareholders at the relevant EGM of ordinary resolutions to approve the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Offer Shares, the lack of excess application arrangement in the Open Offer and alternative arrangement in the Open Offer and the Whitewash Waiver by no later than the date on which the Prospectus is despatched;

- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the date on which the Prospectus is despatched;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders of the Company and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders as defined in the Underwriting Agreement, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus is despatched;
- (d) the Executive granting the Whitewash Waiver to the Underwriter and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (e) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares by no later than the date on which the Prospectus is dispatched;
- (f) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement; and
- (g) compliance with and performance of all the undertakings and obligations of First Cheer under the terms of the Underwriting Agreement and the First Cheer Undertaking.

The above conditions are incapable of being waived. If any of the conditions of the Open Offer are not fulfilled at or before 4:00 p.m. on Thursday, 2 January 2014 (or such later time and/or date as the Company and First Cheer may determine), neither the Company nor the Underwriter shall have any rights or be subject to any obligations arising from the Underwriting Agreement and the Open Offer will not proceed.

Status of the Open Offer

The Offer Shares, when allotted, issued and fully-paid, will rank pari passu with the Shares in issue in all respects. Holders of such Offer Shares will be entitled to receive full future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholder must be registered as a member of the Company on the Record Date and must not be a Prohibited Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (with the relevant share certificate(s)) with the Registrar, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on the Latest Lodging Date. Holders of Share Options or Convertible Bonds who wish to participate in the Open Offer should exercise their Share Options or conversion rights attached to the Convertible Bonds in accordance with their respective terms no later than the Latest Lodging Date.

Closure of register of members

The Company's register of members will be closed from Friday, 6 December 2013 to Monday, 9 December 2013, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders and Prohibited Shareholders

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong.

In compliance with Rule 17.41 of the GEM Listing Rules, the Directors will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholder may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. The Company will disclose the results of the enquiry in the circular and/or the Prospectus regarding the legal restrictions on the issue and allotment of Offer Shares to the Overseas Shareholders.

The Prohibited Shareholders will be entitled to vote at the EGM to consider and, if thought fit, for the resolution(s) approving, among other things, the Whitewash Waiver.

Fractional entitlement to the Offer Shares

Fractions of Offer Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fractions of Offer Shares will be taken up by the Underwriter.

No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Prohibited Shareholders would otherwise have been entitled to under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Board holds the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and to participate in the future growth and development of the Group. After arm's length negotiation with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Shareholders.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Offer Shares on or before Monday, 6 January 2014 by ordinary post at their own risk.

Application for listing of the Offer Shares on the Stock Exchange

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. The Offer Shares shall have the board lot size of 5,000 Shares per board lot.

Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Reasons for the Open Offer and the use of proceeds

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

Upon the full subscription of the Offer Shares and assuming no further Shares have been allotted and issued from the date hereof to the Record Date, the Company will receive gross proceeds of approximately HK\$46.4 million. The net proceeds under the Open Offer are expected to amount to approximately HK\$45.2 million (after deducting the costs and expenses in relation to the Open Offer and assuming no Shares have been issued pursuant to the exercise of Share Options or the conversion rights attached to the Convertible Bonds). The Company intends to use the net proceeds as general working capital of the Group.

The Board has considered other alternative fund raising methods such as issue of new shares and bank borrowings and consider that the Open Offer will provide an equal opportunity to all Qualifying Shareholders to maintain their respective shareholdings in the Company and participate in the growth and development of the Company. Accordingly, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

UNDERWRITING ARRANGEMENT

First Cheer Undertaking

Pursuant to the Underwriting Agreement, First Cheer has given the irrevocable First Cheer Undertaking in favour of the Company that (i) the 271,655,000 Shares registered in the name of and beneficially owned by First Cheer will remain registered in the name of and beneficially owned by First Cheer before the date when the announcement of the results of the Open Offer is published; (ii) First Cheer will accept its entitlements under the Open Offer for an aggregate of 135,827,500 Offer Shares; and (iii) First Cheer will lodge the application form in respect of the Offer Shares accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

Save for the First Cheer Undertaking as disclosed above, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up the securities of the Company to be offered to them under the Open Offer.

Underwriting Agreement

Date: 11 October 2013

Underwriter: First Cheer

First Cheer is a limited liability company incorporated in the British Virgin Islands which is owned as to 50% by Mr. Cheng Ting Kong, an executive Director, and as to 50% by Mr. Chau Cheok Wa.

First Cheer holds 271,655,000 Shares as at the date of this announcement, representing approximately 29.29% of the issued share capital of the Company.

Number of Offer Shares underwritten: Pursuant to the Underwriting Agreement, First Cheer as the underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up under the First Cheer Undertaking) which have not been taken up by the Qualifying Shareholders. Accordingly, the Open Offer is fully underwritten.

Commission: No underwriting commission will be payable by the Company to the Underwriter under the Underwriting Agreement. The Company shall pay and reimburse to the Underwriter all reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriting in respect of the Open Offer.

Termination of the Underwriting Agreement

If at any time, prior to the Latest Time for Termination:

- (1) in the sole and absolute discretion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer, or
- (5) the circular, prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares provisionally allotted to it,

the Underwriter shall at its sole and absolute discretion be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriting Agreement further contains provisions that the Underwriter may terminate its commitment under the Underwriting Agreement if prior to the Latest Time for Termination, there is:

- (a) any material breach of any of the warranties or undertakings under the Underwriting Agreement; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement comes and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties given by the Company under the Underwriting Agreement untrue or incorrect in any material respect.

The Underwriting Agreement contains warranties and undertakings which are usual to an underwriting agreement for an open offer and include, among others, the following:

- (1) the announcement, the circular and the Prospectus Documents in respect of the Open Offer are true and accurate without material omission and contain all particulars and information required by, and will be in accordance with the Companies Ordinance, the GEM Listing Rules, the rules and regulations of the Stock Exchange and all other relevant statutory provisions and governmental regulations in Hong Kong and the Cayman Islands;
- (2) there will be no information not disclosed in the Prospectus Documents (a) the omission of which makes any statement therein misleading or which, in the context of the issue of the Offer Shares, might be material for disclosure therein or (b) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Offer Shares;
- (3) the audited consolidated accounts of the Group for the year ended 31 March 2013 give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group and there has been no material adverse change in the financial or trading position of the Group since 31 March 2013;
- (4) the statements, forecasts, estimates and expressions of opinion, intention and expectation to be contained in this announcement, the circular or the Prospectus in respect of the Open Offer will at the respective dates of issue thereof be made after due and proper consideration, will at the respective dates of issue thereof be fair and honest and represent reasonable expectations based on facts known or which on reasonable enquiry ought to have been known to the Company and/or the Directors or any of them;
- (5) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on;
- (6) the Company shall not from the date of this announcement until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares;
- (7) the Offer Shares, when allotted and issued, will be issued free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Offer Shares;
- (8) the obligations of the Company under the Underwriting Agreement constitute legally valid and binding obligations of the Company enforceable in accordance with the terms herein;

- (9) save for the Share Options and the Convertible Bonds of the Company in issue as at the date of this announcement, there are no outstanding warrants or share options or securities or derivatives that are convertible or exchangeable into Shares or confer any right to subscribe for Shares as at the date of this announcement; and
- (10) the Company will promptly provide the Underwriter, at its reasonable request, with all such information known to it or which on reasonable enquiry ought to be known to it relating to the Group as may be required by the Underwriter in connection with the Open Offer for the purpose of complying with any applicable law, regulation or direction (including the establishment of any defence to any action under any of the same, whether relating to due diligence or otherwise) or any requirement of the Stock Exchange, the Securities and Futures Commission or any other applicable regulatory body.

If the Underwriting Agreement is terminated by the Underwriter on or before the aforesaid deadline or does not become unconditional, the Open Offer will not proceed.

WARNING OF THE RISK OF DEALING IN SHARES

The Open Offer is conditional upon the obligations of the Underwriter under the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Shareholders and potential investors should therefore exercise caution when dealing in Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

Shareholders should note that Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 4 December 2013 and that dealings in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled, will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

CHANGES IN SHAREHOLDING STRUCTURE

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer (for illustration purpose only):

Name of Shareholder	As at the date of this announcement		Immediately after the completion of the Open Offer assuming that all Shareholders have fully subscribed for their entitlements under the Open Offer		Immediately after the completion of the Open Offer assuming that no Shareholders subscribed for their entitlements under the Open Offer except for First Cheer and no Share Options and conversion rights attached to the Convertible Bonds have been exercised		Immediately after the completion of the Open Offer assuming that no Shareholders subscribed for their entitlements under the Open Offer except for First Cheer and all Share Options and conversion rights attached to the Convertible Bonds have been exercised	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Mr. Cheng, Mr. Chau, First Cheer and parties acting in concert with any of them								
First Cheer	271,655,000	29.29%	407,482,500	29.29%	735,455,000	52.86%	862,209,891	48.67%
Mr. Chau	0	0.00%	0	0.00%	0	0.00%	910,000	0.05%
Mr. Cheng	0	0.00%	0	0.00%	0	0.00%	910,000	0.05%
Sub-total:	271,655,000	29.29%	407,482,500	29.29%	735,455,000	52.86%	864,029,891	48.77%
Directors (other than Mr. Cheng):								
Lo Kai Bong	6,640,000	0.72%	9,960,000	0.72%	6,640,000	0.48%	6,640,000	0.37%
Lee Chi Shing Caesar	500,000	0.05%	750,000	0.05%	500,000	0.03%	26,330,000	1.49%
Cheng Mei Ching	0	0.00%	0	0.00%	0	0.00%	17,450,000	0.99%
Sub-total:	7,140,000	0.77%	10,710,000	0.77%	7,140,000	0.51%	50,420,000	2.85%
Public Shareholders								
Public Shareholders	648,805,000	69.94%	973,207,500	69.94%	648,805,000	46.63%	857,214,783	48.38%
Total:	927,600,000	100.00%	1,391,400,000	100.00%	1,391,400,000	100.00%	1,771,664,674	100.00%

Note: First Cheer is owned as to 50% by Mr. Cheng, an executive Director and as to 50% by Mr. Chau.

EFFECT OF BAD WEATHER AT THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 27 December 2013. Instead, the Latest Time for Acceptance will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the section headed “EXPECTED TIMETABLE” in this announcement may be affected. An announcement will be made by the Company in such event.

ADJUSTMENTS IN RELATION TO THE SHARE OPTIONS AND THE CONVERTIBLE BONDS

As at the date of this announcement, the Company has 231,000,000 outstanding Share Options and Convertible Bonds in the outstanding principal amount of RMB33,000,000 which in aggregate entitle holders thereof to subscribe for 253,509,783 Shares.

Subject to the confirmation of the auditors of the Company, the issue of the Offer Shares may cause adjustments to the (i) exercise price and number of the Share Options and (ii) the conversion price and the number of Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds. The Company will instruct its auditors to review and certify the basis of such adjustments as soon as possible. Further announcement(s) will be made by the Company in respect of such adjustments as and when appropriate.

FUNDS RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

On 12 March 2013, after trading hours, the Company entered into a placing and subscription agreement with a placing agent and a substantial shareholder pursuant to which the placing agent has agreed to place, on a best effort basis, certain number of Shares. Such placing and subscription agreement was terminated on 13 March 2013.

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, First Cheer, Mr. Cheng, Mr. Chau and parties acting in concert with any of them holds 271,655,000 Shares and 1,820,000 Share Options in total.

Assuming that no Shareholders have taken up any Offer Shares and there has been no exercise of the Share Options and the conversion rights attached to the Convertible Bonds, upon completion of the Open Offer, the taking up of (i) the Offer Shares to which First Cheer is entitled under the Open Offer, and (ii) the Underwritten Shares would result in the aggregate shareholding of the Underwriter and its concert parties in the Company being increased from approximately 29.29% to approximately 52.86% and would therefore give rise to a mandatory offer obligation on the part of the Underwriter and its concert parties under Rule 26 of the Takeovers Code unless the Whitewash Waiver is obtained

Save for the Underwriting Agreement, Mr. Cheng, Mr. Chau, the Underwriter and the parties acting in concert with any of them have not acquired any voting rights of the Company and have not dealt in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares of the Company in the six months prior to the date of this announcement.

An application will be made by the Underwriter to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. 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, which Mr. Cheng, Mr. Chau, the Underwriter and the parties acting in concert with any of them will abstain from voting on the relevant resolution(s). The completion of the Open Offer is conditional upon, among other matters, the grant of the Whitewash Waiver by the Executive and the approval of the Independent shareholders at the EGM. If the Whitewash Waiver is not granted by the Executive or the Whitewash Waiver is not approved at the EGM, the Open Offer will not proceed.

The Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the independent financial adviser) believe that the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors of the Company will first take into consideration of the advices of the independent financial adviser before making recommendation as to the fairness and reasonableness of the Whitewash Waiver.

PROPOSED SHARE CONSOLIDATION

Proposed Share Consolidation

The Board proposes that conditional upon and immediately after completion of the Open Offer, the Company will implement the Share Consolidation on the basis that every two (2) Shares of HK\$0.04 each in the issued and unissued capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.08.

Effects of Share Consolidation

As at the date of this announcement, there are 927,600,000 Shares of HK\$0.04 each in issue which are fully paid or credited as fully paid. Assuming there is no change in the total number of Shares in issue from the date of this announcement up to the date of completion of the Open Offer save for the 463,800,000 Offer Shares to be issued under the Open Offer, upon completion of the Open Offer, the total number of Shares in issue will be enlarged to 1,391,400,000 Shares.

Upon the Share Consolidation becoming effective, on the basis that the Company does not allot and issue any further Shares prior thereto save for the aforesaid 463,800,000 Offer Shares, there will be 695,700,000 Consolidated Shares of HK\$0.08 each in issue which are fully paid or credited as fully paid.

As at the date of this announcement, save for the Convertible Bonds entitling the holders thereof convert into 22,509,783 Shares (equivalent to 11,254,891 Consolidated Shares) and the Share Options granted under the share option scheme adopted by the Company entitling the holders thereof subscribe for 231,000,000 Shares (equivalent to 115,500,000 Consolidated Shares), there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) completion of the Open Offer.

Listing and dealings

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

It is proposed that following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 5,000 Consolidated Shares. Based on the theoretical ex-entitlement price of approximately HK\$0.247 per Share (equivalent to approximately HK\$0.494 per Consolidated Share) as at the Last Trading Day, the value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be approximately HK\$2,470.

Status of the Consolidated Shares

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company. Further details regarding the parallel trading arrangements (including the odd lots matching services) will be set out in the circular containing the notice of EGM relating to the Open Offer and the Share Consolidation. The Company will bear the costs relating to the matching of sale and purchase of odd lots of the Consolidated Shares.

Reasons for the Share Consolidation

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares in issue after the Completion of the Open Offer. As such, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company. Moreover, as the market value of each board lot upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lower. It is expected that the liquidity in trading of the Shares will increase accordingly and the market value of the Shares will more precisely reflect the intrinsic value of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

Save for the necessary professional expenses and printing charges for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

Odd lots arrangements

In order to facilitate the trading odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide a matching services on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from Tuesday, 21 January 2014 to Wednesday, 12 February 2014 (both dates inclusive). Details of the odd lot matching arrangements will be set out in the circular containing the notice of EGM relating to the Open Offer and the Share Consolidation.

Exchange of Share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 7 January 2014, Shareholders may on or after Tuesday, 7 January 2014 and until 4:00 p.m. on Friday, 14 February 2014 (both days inclusive), submit their existing share certificates in brown for the Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange for share certificates in yellow for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the branch share registrar of the Company for exchange. Thereafter, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Shares submitted for cancellation.

With effect from Wednesday, 12 February 2014, trading will only be in Consolidated Shares which share certificates will be issued in yellow. The Consolidated Shares are to be consolidated on the basis of two (2) existing Shares to one (1) Consolidated Share. Existing share certificates in brown for the Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Adjustments in relation to the Convertible Bonds and the Share Options

As at the date of this announcement, the Company has 231,000,000 outstanding Share Options and Convertible Bonds in the outstanding principal amount of RMB33,000,000 which in aggregate entitle holders thereof to subscribe for 253,509,783 Shares.

Subject to the confirmation of the auditors of the Company, the Share Consolidation may cause adjustments to the (i) exercise price and number of the Share Options and (ii) the conversion price and the number of Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds. The Company will instruct its auditors to review and certify the basis of such adjustments as soon as possible. Further announcement(s) will be made by the Company in respect of such adjustments as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the Share Consolidation set out below is indicative only and it has been prepared on the assumption that the Whitewash Waiver will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Despatch of Company's circular with notice of EGM	Friday, 15 November 2013
Latest time for lodging forms of proxy for the purpose of the EGM.	4:00 p.m. on Saturday, 30 November 2013
EGM.	4:00 p.m. on Monday, 2 December 2013
Announcement of results of EGM to be published on the Stock Exchange website	Monday, 2 December 2013
Last day of dealings in Shares on a cum-entitlement basis.	Tuesday, 3 December 2013
First day of dealings in Shares on an ex-entitlement basis	Wednesday, 4 December 2013
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30 p.m. on Thursday, 5 December 2013
Register of members of the Company closed (both dates inclusive)	Friday, 6 December 2013 to Monday, 9 December 2013 (both dates inclusive)
Record Date	Monday, 9 December 2013
Register of members of the Company re-opens	Tuesday, 10 December 2013
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus only)	Tuesday, 10 December 2013
Latest time for acceptance of, and payment of Offer Shares	4:00 p.m. on Friday, 27 December 2013
Latest time for the Open Offer to become unconditional (being the Latest Time for Termination)	4:00 p.m. on Thursday, 2 January 2014

Announcement of results of acceptance of the Offer Shares to be published on the Stock Exchange	On or before Friday, 3 January 2014
Despatch of share certificates for Offer Shares	On or before Monday, 6 January 2014
Dealings in Offer Shares commence	9:00 a.m. on Tuesday, 7 January 2014
Effective date of the Share Consolidation	Tuesday, 7 January 2014
Dealings in Consolidated Shares commence	9:00 a.m. on Tuesday, 7 January 2014
Original counter for trading in the Shares in board lots of 5,000 Shares (in the form of existing share certificates in brown) temporarily closes	9:00 a.m. on Tuesday, 7 January 2014
Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates in brown) opens	9:00 a.m. on Tuesday, 7 January 2014
First day of free exchange of existing share certificates in brown for new share certificates in yellow for the Consolidated Shares	Tuesday, 7 January 2014
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates in yellow) re-opens	9:00 a.m. on Tuesday, 21 January 2014
Parallel trading in the Consolidated Shares (in form of new share certificates in yellow and existing share certificates in brown) commences	9:00 a.m. on Tuesday, 21 January 2014
Designed broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 21 January 2014

Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates in brown) ends. 4:00 p.m. on Wednesday, 12 February 2014

Parallel trading in the Consolidated Shares (in form of new share certificates in yellow and existing share certificates in brown) ends 4:00 p.m. on Wednesday, 12 February 2014

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares. 4:00 p.m. on Wednesday, 12 February 2014

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares 4:00 p.m. on Friday, 14 February 2014

LISTING RULES IMPLICATIONS

The absence of excess application arrangement for the disposal of the Offer Shares not taken up under the Open Offer shall be specifically approved by the Independent Shareholders at the EGM by way of poll for the purpose of compliance with Rule 10.42 of the GEM Listing Rules.

GENERAL

The Open Offer is subject to the approval of the Independent Shareholders at the EGM.

As First Cheer, being the Underwriter to the Open Offer, is deemed to have a material interest in the Open Offer, Mr. Cheng, Mr. Chau, First Cheer and their respective concert parties and those who are involved in or interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver will abstain from voting on the respective resolutions at the EGM for approving the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Offer Shares, the Underwriting Agreement, the Whitewash Waiver and the absence of excess application arrangement under the Open Offer. The voting at the EGM will be taken by way of poll.

The Company will establish an independent board committee, which comprises all independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, to advise the Independent Shareholders as to whether the terms of the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser.

In this connection, the Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and whether the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver are in the interests of the Independent Shareholders, and to advise the Independent Shareholders on how to vote. Further announcement will be made by the Company when the independent financial adviser is appointed.

A circular including, among other things, details of (i) the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (ii) the recommendation of the independent board committee in relation to the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Open Offer (including the absence of excess application arrangement under the Open Offer), the Underwriting Agreement and the Whitewash Waiver; (iv) the Share Consolidation; and (iv) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with Rule 8.2 of the Takeovers Code and the GEM Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions of the Open Offer being satisfied.

ADDITIONAL DISCLOSURE OF INTERESTS

As at the date of this announcement, no persons had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM to approve the Open Offer and the Whitewash Waiver.

As at the date of this announcement, no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Underwriter and which might be material to the transactions contemplated under the Underwriting Agreement, the Open Offer or the Whitewash Waiver.

As at the date of this announcement, save for the Underwriting Agreement and the First Cheer Undertaking, there is no agreement, arrangement or undertaking which is conditional or dependent on completion of or otherwise connected with the Open Offer (including the absence of excess application arrangement under the Open Offer) and the Whitewash Waiver.

As at the date of this announcement, other than the Underwriting Agreement, there are no agreements or arrangements to which Mr. Cheng, Mr. Chau, the Underwriter or any of their respective associates is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer and the transactions contemplated under the Underwriting Agreement and the Whitewash Waiver.

As at the date of this announcement, no Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company have been borrowed or lent by Mr. Cheng, Mr. Chau, the Underwriter or any parties acting in concert with any of them.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 15 October 2013 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 29 October 2013.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Chairman”	the chairman of the Board
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Sun International Resources Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Consolidated Shares”	consolidated ordinary share(s) of HK\$0.08 each in the issued and unissued share capital of the Company upon completion of the Share Consolidation
“Controlling Shareholder”	has the same meaning ascribed to it in the GEM Listing Rules
“Conversion Share(s)”	the new Share(s) to be issued upon the exercise of the conversion rights under the Convertible Bonds

“Convertible Bonds”	convertible bonds in the outstanding principal amount of RMB33,000,000 carrying rights to convert into 22,509,783 Conversion Shares
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Open Offer (including the absence of excess application arrangement under the Open Offer, the Underwriting Agreement and the Whitewash Waiver) and the Share Consolidation
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s)
“First Cheer” or “Underwriter”	First Cheer Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“First Cheer Undertaking”	the irrevocable undertaking given by First Cheer pursuant to the Underwriting Agreement
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Cheng, Mr. Chau, First Cheer and parties acting in concert with any of them and those who are involved in or interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver who are required by the GEM Listing Rules and/or the Takeovers Code to abstain from voting in respect of the resolution(s) relating to the Open Offer, the Underwriting Agreement and the Whitewash Waiver to approve the resolutions at the EGM
“Last Trading Date”	11 October 2013, being the last trading day of the Shares prior to the release of this announcement

“Latest Lodging Date”	4:30 p.m. on 5 December 2013 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of Shares and/or exercising Share Options in order to be qualified for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on 27 December 2013 or such other date and/or time as the Underwriter and the Company may agree as the latest date for acceptance and payment in respect of provisional allotments and applications for excess under the Open Offer
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such other time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Mr. Chau”	Mr. Chau Cheok Wa
“Mr. Cheng”	Mr. Cheng Ting Kong, an executive Director
“Offer Share(s)”	not less than 463,800,000 Shares and not more than 590,554,891 Shares to be allotted and issued pursuant to Open Offer
“Open Offer”	the proposed issue of Offer Shares on the basis of one (1) Offer Share for every two (2) Shares to Qualifying Shareholders by way of rights or to holders of Offer Shares at the Subscription Price, pursuant to the terms and conditions of the Underwriting Agreement
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) as shown on such register is(are) outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

“Prohibited Shareholders”	such Overseas Shareholders, to whom the Directors, based on legal opinions provided by legal advisers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the application form to be used by the Qualifying Shareholders to apply for the Offer Shares
“Prospectus Posting Date”	10 December 2013 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Prohibited Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	9 December 2013, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company prior to the completion of Share Consolidation
“Share Consolidation”	the proposed consolidation of every two (2) Shares of HK\$0.04 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$0.08 each in the issued and unissued share capital of the Company
“Share Option(s)”	the share option(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.10 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Underwriting Agreement”	the underwriting agreement dated 11 October 2013 entered into among the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	not less than 327,972,500 Offer Shares and not more than 454,727,391 Offer Shares underwritten by First Cheer as the Underwriter under the Underwriting Agreement
“Whitewash Waiver”	the whitewash waiver from the obligation of the Underwriter and parties acting in concert with it to make a mandatory offer under Rule 26 of the Takeovers Code as a result of the underwriting of the Offer Shares under the Underwriting Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 28 October 2013

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching, Mr. Lee Chi Shing, Caesar, Mr. Lo Kai Bong and Mr. Lui Man Wah 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 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 enquiries, 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.

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/>.

* For identification purposes only