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太陽國際集團有限公司
SUN INTERNATIONAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8029)

ANNOUNCEMENT ON LITIGATION

The board (the “**Board**”) of directors (the “**Directors**”) of Sun International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Guangdong Higher People’s Court has been directed by the Supreme People’s Court of the People’s Republic of China (the “**PRC**”) to hear the claim (the “**Claim**”) made by Zhao Ming (“**Mr. Zhao**”) and Diamond Ocean Development Limited (“**Diamond Ocean**”) against, amongst others, Sun Finance Company Limited (“**Sun Finance**”), a wholly-owned subsidiary of the Company, Mr. Cheng Ting Kong (“**Mr. Cheng**”), a controlling shareholder of the Company and an executive Director and Mr. Chau Cheok Wa (“**Mr. Chau**”), a controlling shareholder of the Company, in relation to, among others, the enforcement of the share charge in 2011 over certain shares (the “**Charged Shares**”) of a listed company (the “**Listed Company**”) in Hong Kong provided by Diamond Ocean, being the security for a loan provided by Sun Finance to Diamond Ocean, which was alleged by Mr. Zhao and Diamond Ocean to have infringed their rights. According to the Claim, Mr. Zhao and Diamond Ocean requested the court to order Sun Finance, Mr. Cheng and Mr. Chau to compensate Mr. Zhao and Diamond Ocean for direct economic loss of RMB500 million and bear all the litigation costs. In addition, Mr. Zhao and Diamond Ocean will seek compensation for indirect loss after the valuation company engaged by the court has assessed the assets of a PRC subsidiary (the “**PRC Subsidiary**”) of the Listed Company.

As at the date of this announcement, no hearing notice issued by Guangdong Higher People’s Court has been received by Sun Finance, Mr. Cheng and Mr. Chau and the hearing date has yet to be fixed.

According to the legal advice by the PRC legal advisers to Sun Finance, the chances of success of the Claim are very low. The PRC legal advisers consider that, among others, (i) there is not enough basis to support the allegation that the disposal of the Charged Shares was illegal; (ii) the alleged change of the legal representative of the PRC Subsidiary by the defendants by illegal means is not in conformity with the fact and irrelevant to the Claim; (iii) the amount of the direct loss alleged by the plaintiffs is lack of basis and no definite amount can be derived from the materials provided by the plaintiffs; and (iv) the limitation period of two years for making the Claim has already expired.

Nevertheless, in order to remove any uncertainty arising from the Claim on the Group, on 4 April 2019, Mr. Cheng executed a deed of indemnity in favour of the Company (for itself and as trustee of Sun Finance and the intermediate holding company of Sun Finance), whereby Mr. Cheng agreed to indemnify and keep the Company (for itself and as trustee of Sun Finance and the intermediate holding company of Sun Finance) indemnified against all loss and damages arising out of or in relation to the Claim.

Having considered the aforementioned factors, the Board consider that the Claim is unlikely to have any material adverse impact on the Group and no provision is required to be made in relation to the same.

Further announcement in relation to the Claim will be made by the Company as and when appropriate.

By Order of the Board
Sun International Group Limited
Cheng Ting Kong
Chairman

Hong Kong, 4 April 2019

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 nonexecutive 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 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/>.