

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Sun International Group Limited.



**FRESH SUCCESS
INVESTMENTS LIMITED**
*(Incorporated in the British Virgin Islands
with limited liability)*

**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)

JOINT ANNOUNCEMENT

**(I) COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES
IN SUN INTERNATIONAL GROUP LIMITED;
(II) MANDATORY UNCONDITIONAL CASH OFFER BY
RED SUN CAPITAL LIMITED FOR AND ON BEHALF OF
FRESH SUCCESS INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
SUN INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED OR TO BE ACQUIRED BY
FRESH SUCCESS INVESTMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);
AND
(III) RESUMPTION OF TRADING**

Financial adviser to the Offeror



紅日資本有限公司
RED SUN CAPITAL LIMITED

**Independent Financial adviser to the Independent Board Committee of
Sun International Group Limited**



Astrum Capital Management Limited

COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES IN THE COMPANY

The Company was informed by First Cheer and the Offeror that on 30 August 2021, after the trading hours, First Cheer and the Offeror entered into the Sale and Purchase Agreement pursuant to which First Cheer has agreed to sell and the Offeror has agreed to purchase an aggregate of 1,435,009,040 Sale Shares, representing approximately 62.82% of the total issued share capital of the Company as at the date of this joint announcement. The consideration for the Sale Shares is HK\$143,500,904, which is equivalent to HK\$0.10 per Sale Share. Completion took place immediately upon the signing of the Sale and Purchase Agreement on 30 August 2021.

MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Company has 2,284,254,768 Shares in issue and 29,219,400 outstanding Share Options which entitle the holders thereof to subscribe for 29,219,400 new Shares. Save for the Share Options, the Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares. Save for the Shares and the Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Before Completion, First Cheer was interested in 1,435,009,040 Shares, representing approximately 62.82% of the total issued share capital of the Company as at the date of this joint announcement. First Cheer is owned as to 50% by Mr. Cheng and as to 50% by Mr. Chau. As Mr. Cheng and Mr. Chau were parties acting in concert with each other, each of them was deemed to be interested in 1,435,009,040 Shares prior to Completion.

Upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in a total of 1,435,009,040 Shares, representing approximately 62.82% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Offeror (i) not to exercise the conversion rights attached to the Share Options held by them; and (ii) not to accept the Offer if made by the Offeror in respect of the Share Options held by them. The Undertakings will cease upon the close of the Offer. In view of the Undertakings and all the Share Options being not transferable, the Offer will not be extended to the Share Options.

PRINCIPAL TERMS OF THE OFFER

Red Sun Capital will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.10 in cash

The Offer Price of HK\$0.10 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all aspects when it is made.

Value of the Offer

Based on the Offer Price of HK\$0.10 per Offer Share and 2,284,254,768 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$228,425,476.8.

As at the date of this joint announcement, excluding the total Shares of 1,435,009,040 Shares held by the Offeror and the parties acting in concert with it and assuming there is no change in the number of issued Shares before the close of the Offer, a total of 849,245,728 Shares will be subject to the Offer and the value of the Offer is HK\$84,924,572.8.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer partly through the shareholder's loan provided by Mr. Cheng, which, in turn, is financed by Mr. Cheng's own resource and partly by the Loan.

Red Sun Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun, has been established by the Board to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser as the independent financial adviser has been approved by the Independent Board Committee.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 31 August 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 8 September 2021.

WARNING

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

COMPLETION OF THE SALE AND PURCHASE OF SALE SHARES IN THE COMPANY

The Company was informed by First Cheer and the Offeror that on 30 August 2021, after the trading hours, First Cheer and the Offeror entered into the Sale and Purchase Agreement pursuant to which First Cheer has agreed to sell and the Offeror has agreed to purchase an aggregate of 1,435,009,040 Sale Shares, representing approximately 62.82% of the total issued share capital of the Company as at the date of this joint announcement. The consideration for the Sale Shares is HK\$143,500,904, which is equivalent to HK\$0.10 per Sale Share. Completion immediately took place upon the signing of the Sale and Purchase Agreement on 30 August 2021.

The principal terms of the Sale and Purchase Agreement are summaries below:

Date : 30 August 2021

Parties : (i) the Offeror as the purchaser

(ii) First Cheer as the vendor

For further details of the Offeror, please refer to the section headed “Information on the Offeror” in this joint announcement.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, First Cheer has agreed to sell and the Offeror has agreed to purchase an aggregate of 1,435,009,040 Sale Shares, representing approximately 62.82% of the total issued share capital of the Company as at the date of this joint announcement. Given that although First Cheer had minimal assets (except for the Sale Shares before disposal), it had incurred various expenses including but not limited to annual fee payable in the British Virgin Islands and to the registered agent and other miscellaneous expenses and that no audited financial statements of First Cheer have been prepared (which is not required under the law of its place of incorporation), the Offeror decided to acquire the Sale Shares instead of the issued shares in First Cheer such that the Offer Price could be readily ascertained without the necessity to determine the value of the issued shares of First Cheer.

The Consideration for the Sale Shares

The aggregate consideration paid by the Offeror to First Cheer in respect of the Sale Shares shall be HK\$143,500,904, equivalent to HK\$0.10 per Sale Share, which was agreed between the Offeror and First Cheer after arm’s length negotiations, taking into account (i) the Group’s unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0686 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 30 June 2021; (ii) the Group’s audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.0271 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 31 March 2021; (iii) the audited net loss recorded by the Group for the years ended 31 March 2017, 2018, 2019, 2020 and 2021; and (iv) the daily trading volume of the Shares.

The Consideration has been settled by the Offeror to First Cheer upon Completion by the issue of the Promissory Note in the principal amount of HK\$143,500,904.

The Promissory Note

The principal terms of the Promissory Note are as follows:

Issuer	:	the Offeror
Date	:	30 August 2021
Noteholder	:	First Cheer
Principal amount	:	HK\$143,500,904
Maturity date	:	the second (2nd) anniversary of the date of the Promissory Note
Interest	:	nil
Security	:	unsecured
Transferability	:	the Promissory Note may, with five (5) business days' prior notice in writing to the Offeror of First Cheer's intention to transfer or assign the Promissory Note, be freely transferable and assignable by First Cheer to any other person

The Offeror confirms that there is no arrangement, agreement or understanding (i) between Mr. Cheng and Mr. Chau in respect of the amount to be received under the Promissory Note; and (ii) between First Cheer and any parties acting in concert with it in respect of the transfer of the Promissory Note. Any distribution of the principal amount of the Promissory Note received by First Cheer to its shareholders shall be made in proportion to their shareholding in First Cheer according to the articles of association of First Cheer and the relevant law in the British Virgin Islands.

Conditions precedent to the Sale and Purchase Agreement

The Sale and Purchase Agreement is unconditional.

Completion of the Sale and Purchase Agreement

Completion took place immediately upon the signing of the Sale and Purchase Agreement on 30 August 2021.

MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Company has 2,284,254,768 Shares in issue and 29,219,400 outstanding Share Options which entitle the holders thereof to subscribe for 29,219,400 new Shares and are not transferable. Save for the Share Options, the Company does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable

into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares. Save for the Shares and the Share Options, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement. Details of the outstanding and exercisable Share Options are as follows:

Optionholder	Exercise period	Number of outstanding Share Options	Exercise price per Share
Ms. Cheng Mei Ching (an executive Director and the sibling of Mr. Cheng)	10/9/2014 to 9/9/2024	1,391,400	HK\$0.315
Mr. Lui Man Wah (an executive Director)	10/9/2014 to 9/9/2024	13,914,000	HK\$0.315
Mr. Lee Chi Shing, Caesar (a former executive Director from 14 August 2006 to 30 November 2015)	10/9/2014 to 9/9/2024	13,914,000	HK\$0.315

Before Completion, First Cheer was interested in 1,435,009,040 Shares, representing approximately 62.82% of the total issued share capital of the Company as at the date of this joint announcement. First Cheer is owned as to 50% by Mr. Cheng and as to 50% by Mr. Chau. As Mr. Cheng and Mr. Chau were parties acting in concert with each other, each of them was deemed to be interested in 1,435,009,040 Shares prior to Completion.

Upon Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in a total of 1,435,009,040 Shares, representing approximately 62.82% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Offeror (i) not to exercise the conversion rights attached to the Share Options held by them; and (ii) not to accept the Offer if made by the Offeror in respect of the Share Options held by them. The Undertakings will cease upon the close of the Offer. In view of the Undertakings and all the Share Options being not transferable, the Offer will not be extended to the Share Options.

The Offeror confirms that the Offer Price is final and will not be increased.

The Offer

Red Sun Capital will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.10 in cash

The Offer Price of HK\$0.10 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer will be unconditional in all aspects when it is made.

Comparison of value

The Offer Price of HK\$0.10 per Offer Share represents:

- (i) a discount of approximately 80.00% to the closing price of HK\$0.5000 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 80.35% to the average of the closing prices as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.5090 per Share;
- (iii) a discount of approximately 81.29% to the average of the closing prices as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.5345 per Share;
- (iv) a discount of approximately 81.45% to the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.5392 per Share;
- (v) a premium of approximately 269.00% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.0271 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 31 March 2021, being the date to which the latest published audited financial results of the Group were made up; and
- (vi) a premium of approximately 45.77% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.0686 per Share (based on the total number of the issued Shares as at the date of this joint announcement) as at 30 June 2021.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period commencing six months preceding the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 7 September 2021), were HK\$1.57 per Share (on 9 April 2021) and HK\$0.42 per Share (on 6 August 2021), respectively.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Value of the Offer

Based on the Offer Price of HK\$0.10 per Offer Share and 2,284,254,768 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$228,425,476.8.

As at the date of this joint announcement, excluding the total Shares of 1,435,009,040 Shares held by the Offeror and the parties acting in concert with it and assuming there is no change in the number of issued Shares before the close of the Offer, a total of 849,245,728 Shares will be subject to the Offer and the value of the Offer is HK\$84,924,572.8.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer partly through the shareholder's loan provided by Mr. Cheng, which, in turn, is financed by Mr. Cheng's own resource and partly by the Loan. The Loan has been drawn and deposited into the Offeror's securities account (the "**ESL Securities Account**") maintained with Elstone Securities Limited ("**ESL**") on 6 September 2021. Pursuant to the agreement in relation to the provision of the Loan, (i) any Offer Shares to be acquired under the Offer and financed by the Loan will be deposited into the ESL Securities Account to ensure the Offeror will have sufficient resources for the repayment of the Loan but will not be subject to any share charge in favour of the lender; and (ii) the Offeror undertakes and agrees that so long as any part of the Loan, the interest accrued thereon or any amount payable thereunder remains owing thereunder, the Offeror will deposit or procure the deposit of all the Offer Shares acquired under the Offer and financed by the Loan into the ESL Securities Account forthwith upon its acquisition thereof. The Offeror has control over the ESL Securities Account, save that pursuant to an irrevocable instruction dated 6 September 2021 from the Offeror to ESL, the Offeror irrevocably undertakes with ESL that the Loan in the principal amount of HK\$58 million deposited into the ESL Securities Account shall be for the sole purpose of satisfying the obligation of approximately HK\$58 million in relation to the Offer. As at the date of this joint announcement, both the lender of the Loan and ESL are ultimately wholly-owned by Mr. Yan Kam Cheong.

Red Sun Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the date of this joint announcement, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdiction).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Red Sun Capital, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

None of the Offeror and parties acting in concert with it has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months period prior to the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 7 September 2021), save for (i) the Sale Shares and (ii) the following transactions:

Date of transactions on the Stock Exchange	Name	No. of Shares sold	Transaction price per Share
29/3/2021	Mr. Yan Kam Cheong (the shareholder of the lender of the Loan)	1,000,000	HK\$1.22
		3,680,000	HK\$1.21
		1,095,000	HK\$1.15
		2,000,000	HK\$1.2
		3,000,000	HK\$1.18

As at the date of this joint announcement,

- (i) save for (a) the Sale Shares held by the Offeror; and (b) 1,391,400 Share Options held by Ms. Cheng Mei Ching (being an executive Director and the sibling of Mr. Cheng) and 13,914,000 Share Options held by Mr. Lui Man Wah (being an executive Director), each being the parties presumed to be acting in concert with the Offeror, none of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (ii) save for 1,391,400 Share Options held by Ms. Cheng Mei Ching (being an executive Director and the sibling of Mr. Cheng) and 13,914,000 Share Options held by Mr. Lui Man Wah (being an executive Director), each being the parties presumed to be acting in concert with the Offeror, there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;

- (iii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or condition to the Offer;
- (vi) save for the Undertakings, none of the Offeror and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offer;
- (vii) there is no agreement or arrangement which constitutes a special deal under Rule 25 of the Takeovers Code between First Cheer, its ultimate beneficial owners and parties acting in concert with any of them on one hand and the Offeror and parties acting in concert with it on the other hand; and
- (viii) save for the total consideration for the Sale Shares of HK\$143,500,904, there is no other consideration or benefit in whatever form paid or payable by the Offeror and parties acting in concert with it to First Cheer, its ultimate beneficial owners and parties acting in concert with any of them.

The Company and the Offeror confirm that, as at the date of this joint announcement, save for (1) Red Sun Capital will act as the offer agent for the Offer; (2) the Sale and Purchase Agreement; and (3) the Loan, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) the Offeror and any party acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE OFFEROR

The Offeror is incorporated in the British Virgin Islands with limited liabilities, and is an investment holding company ultimately wholly and beneficially owned by Mr. Cheng, who is also the sole director of the Offeror.

INFORMATION ON MR. CHENG

Mr. Cheng is the chairman of the Board and an executive Director. Mr. Cheng is also the chairman and an executive director of Imperium Technology Group Limited (stock code: 776), the issued shares of which are listed on the main board of the Stock Exchange. Imperium Technology Group Limited and its subsidiaries are principally engaged in the manufacturing and sale of furnishings and home products, online game business, property investment, money lending business, esports business and provision of cloud computing and data storage services.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the GEM of the Stock Exchange (stock code: 8029). The Group is principally engaged in money lending, securities and futures brokerage, assets management services, properties investment, digital currency mining and investment in stallions.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2020 and 2021 as extracted from the annual report of the Company for the year ended 31 March 2021:

	For the year ended 31 March	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	98,073	63,724
Loss before taxation	60,227	57,452
Total comprehensive loss for the year attributable to the owners of the Company	65,962	48,585
	As at 31 March	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total assets	558,610	390,887
Total equity	110,564	61,979

Further financial information of the Group will be set out in the Composite Document to be despatched.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately following the Completion and as at the date of this joint announcement:

	Immediately prior to the Completion		Immediately after the Completion and as at the date of this joint announcement	
	Number of Shares	Approximately %	Number of Shares	Approximately %
First Cheer (<i>Note 1</i>)	1,435,009,040	62.82	–	–
Offeror (<i>Note 2</i>)	–	–	1,435,009,040	62.82
Public Shareholders	<u>849,245,728</u>	<u>37.18</u>	<u>849,245,728</u>	<u>37.18</u>
Total	<u>2,284,254,768</u>	<u>100.00</u>	<u>2,284,254,768</u>	<u>100.00</u>

Notes:

1. First Cheer is a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by Mr. Cheng and 50% by Mr. Chau. First Cheer is a party acting in concert with the Offeror.
2. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheng.

INTENTION OF THE OFFEROR ON THE COMPANY

Upon Completion, the Offeror has become the controlling Shareholder (as defined under the GEM Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following Completion.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror and the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun, has been established by the Board to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser as the independent financial adviser has been approved by the Independent Board Committee.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company that the offer document from the Offeror and the offeree board circular from the Company be combined into a Composite Document. In accordance with Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 31 August 2021 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 8 September 2021.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Sun International Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8029)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Cheer”	First Cheer Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 50% by Mr. Cheng and as to 50% by Mr. Chau

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser”	Astrum Capital Management Limited, a corporation licensed by the SFC to conduct Type 1 (Dealing in securities), Type 2 (Dealing in Futures Contracts), Type 6 (Advising on corporate finance) and Type 9 (Asset Management) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of the Offer and as to acceptance of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	30 August 2021, being the last trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares pending the release of this joint announcement
“Loan”	the unsecured loan in the principal amount of HK\$58 million and advanced by the lender to the Offeror
“Mr. Chau”	Mr. Chau Cheok Wa, the owner of 50% of the issued shares of First Cheer
“Mr. Cheng”	Mr. Cheng Ting Kong, the ultimate sole shareholder and the sole director of the Offeror, the chairman and an executive Director of the Company and the owner of 50% of the issued shares of First Cheer

“Offer”	the mandatory unconditional cash offer to be made by Red Sun Capital on behalf of the Offeror to acquire all the Offer Shares
“Offeror”	Fresh Success Investments Limited, a company incorporated in the British Virgin Islands with limited liabilities which is ultimately wholly and beneficially owned by Mr. Cheng
“Offer Price”	HK\$0.10 per Offer Share
“Offer Share(s)”	all the issued Shares (other than those already beneficially owned or to be acquired by the Offeror and parties acting in concert with it)
“Optionholder(s)”	the holder(s) of the Share Options
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Promissory Note”	the two-year zero coupon promissory note issued by the Offeror to First Cheer in the aggregate principal amount of HK\$143,500,904 as the consideration under the Sale and Purchase Agreement
“Red Sun Capital”	Red Sun Capital Limited, a corporation licensed by the SFC to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer and the agent making the Offer on behalf of the Offeror
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 August 2021 and entered into between First Cheer as vendor and the Offeror as purchaser in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	the 1,435,009,040 Shares transferred to the Offeror from First Cheer pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 5 December 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Undertakings”	the undertakings given by all the Optionholders in favour of the Offeror (i) not to exercise the conversion rights attached to the Share Options held by them; and (ii) not to accept the Offer if made by the Offeror in respect of the Share Options held by them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

<p>By order of the Board</p> <p>FRESH SUCCESS INVESTMENTS LIMITED</p> <p>Cheng Ting Kong</p> <p><i>Director</i></p>	<p>By order of the Board</p> <p>SUN INTERNATIONAL GROUP LIMITED</p> <p>Cheng Mei Ching</p> <p><i>Executive Director</i></p>
---	---

Hong Kong, 7 September 2021

As at the date of this joint announcement, the Board comprises five executive Directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching, Mr. Lui Man Wah, Mr. Chim Tak Lai and Mr. Choi Hon Keung Simon and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and parties acting in concert with it in their capacity as such), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Cheng.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.