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Sun International Group Limited

太陽國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8029)

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION; AND (2) RESUMPTION OF TRADING

THE SUBSCRIPTION

Reference is made to the announcement of the Company dated 5 September 2008 in relation to entering into the Loan Agreement, pursuant to which Galileo BVI agreed to lend the Loan to Gold Track. Under the Loan Agreement, Galileo BVI is entitled to capitalize the Loan and interests accrued thereon into not less than 51% of the share capital of Gold Track as enlarged by the allotment and issue of additional shares to Galileo BVI. As Gold Track has located the Mine, the Group decided to capitalize the Loan and enter into the Subscription Agreement.

The Board is pleased to announce that on 8 October 2008, Galileo BVI (a wholly-owned subsidiary of the Company) and Gold Track entered into the Subscription Agreement. And on 23 October 2008, Galileo BVI and Gold Track entered into the Supplemental Agreement. Pursuant to the Subscription Agreement and the Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the 11,739 shares of Gold Track (representing approximately 54% of the enlarged share capital of Gold Track) to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US\$1,000,000 (and interests accrued thereon) due from the Gold Track to Galileo BVI. As at 8 October 2008 (the date of signing the Subscription Agreement), the aggregate amount of the Loan and the interests accrued thereon is approximately US\$1,005,479. The subscription price for each share of Gold Track payable by the Company is approximately US\$85.65.

Gold Track is an investment holding company having 95% equity interests in PT. Tomico Resources, which in turn have 100% indirect and beneficial interest in PT. Kapitalindo Management by share pledge arrangement. The Mine is located in Ende Flores, Nusa Tenggara Timur in Indonesia with an aggregate mining area of 4,413 hectares with the total length of 38 km.

Completion of the Acquisition is subject to fulfillment or waiver of certain conditions precedent as set out in the section headed “Conditions precedent” below.

GENERAL

The Subscription constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, Gold Track is beneficially owned as to 49% by Ms. Yeung So Lai, who is the sister-in-law of Mr. Cheng Ting Kong (a substantial shareholder of the Company). Gold Track is therefore regarded as a connected person of the Company and the Subscription is regarded as a connected transaction under Chapter 20 of the GEM Listing Rules. With regard to the above, Independent Shareholders' approval is required for the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, Mr. Cheng Ting Kong and his associates are beneficially interested in 140,000,000 Shares. As Mr. Cheng Ting Kong has a material interest in the Subscription, he and his associates are required to abstain from the voting at the SGM on the resolution to approve the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) further details of the Subscription, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder, (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the Supplemental Agreement, (iv) a business valuation report in relation to Gold Track Group, (v) a technical report in relation to the Mine, (vi) accountants' report of Gold Track, (vii) unaudited pro forma financial information the Group as enlarged by the acquisition of Gold Track Group and (viii) a notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules. Pursuant to Rule 19.38 and Rule 20.49 of the GEM Listing Rules, the circular is required to be despatched to Shareholders within 21 days after publication of this announcement. However, it is expected to take two to three months for the preparation of the accountants' report of Gold Track, the business valuation report in relation to Gold Track Group and the technical report in relation to the Mine. Accordingly, a delay in despatch announcement will be made by the Company in respect of the despatch date of the circular. Application will also be made to the Stock Exchange for a waiver from strict compliance with Rule 19.38 and Rule 20.49 of the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:40 a.m. on 8 October 2008 pending the release of this 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 9:30 a.m. on 3 November 2008.

Reference is made to the announcement of the Company dated 5 September 2008 in relation to entering into a loan agreement (the "**Loan Agreement**"), pursuant to which Galileo BVI agreed to lend a loan (the "**Loan**") of US\$1,000,000 to Gold Track. Under the Loan Agreement, Galileo BVI is entitled to capitalize the Loan and interests accrued thereon into not less than 51% of the share capital of Gold Track as enlarged by the allotment and issue of additional shares to Galileo BVI. As Gold Track has located the Mine, the Group decided to capitalize the Loan and enter into the Subscription Agreement.

THE SUBSCRIPTION AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Date

8 October 2008 and supplemented by the supplemental agreement dated 23 October 2008

Parties

- (i) Gold Track, as issuer; and
- (ii) Galileo BVI, a wholly-owned subsidiary of the Company, as subscriber.

Gold Track is an investment holding company having 95% equity interests in PT. Tomico Resources, which in turn have 100% indirect and beneficial interested in PT. Kapitalindo Management by share pledge arrangement. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, Gold Track is beneficially owned as to 49% by Ms. Yeung So Lai, who is the sister-in-law of Mr. Cheng Ting Kong (a substantial shareholder of the Company).

Pursuant to the Subscription Agreement and the Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the Subscription Shares to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US\$1,000,000 (and interests accrued thereon) due from the Gold Track to Galileo BVI. The Subscription Shares, being 11,739 shares of Gold Track, represents approximately 54% of the entire issued share capital of Gold Track as enlarged by the allotment and issue of the Subscription Shares.

Consideration

The consideration for the Subscription Shares is settled by the Galileo BVI by capitalizing the Loan and interests accrued thereon. As at 8 October 2008 (the date of signing the Subscription Agreement), the aggregate amount of the Loan and the interests accrued thereon is approximately US\$1,005,479. The subscription price for each share of Gold Track payable by the Company is approximately US\$85.65.

The terms of the Subscription Agreement, including the Subscription Shares and the consideration were arrived at after arm's length negotiations between the parties after taking into account, among others, the consideration, the risk factors associated with the Mine as disclosed below in this announcement, the business prospects of Gold Track, the possible contribution to the Group from the proceeds generated from exploitation of the Mineral Resources at the Mine. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, PT. Tomico Resources was acquired by the Gold Track at a consideration of US\$100,000.

Conditions precedent

Completion is subject to the following conditions precedent:

- (i) Galileo BVI being satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of Gold Track;
- (ii) all necessary consents, authorisations and approvals required to be obtained on the part of Gold Track in respect of the Subscription Agreement and the transactions contemplated thereby having been obtained;

- (iii) the passing by the Independent Shareholders at the SGM of an ordinary resolution to approve the Subscription Agreement and the transactions contemplated thereunder;
- (iv) the obtaining of an Indonesian legal opinion (in form and substance satisfactory to Galileo BVI) in relation to the transactions contemplated under the Subscription Agreement;
- (v) the warranties provided by the Gold Track and the Purchaser under the Acquisition Agreement remaining true and accurate in all respects;
- (vi) the obtaining of a technical report in relation to the Mine prepared by an independent technical personnel appointed by Galileo BVI (in form and substance satisfactory to Galileo BVI and Gold Track);
- (vii) the obtaining of a business valuation report in relation to Gold Track Group prepared by an independent valuer appointed by Galileo BVI (in form and substance satisfactory to Galileo BVI and Gold Track);
- (viii) PT. Tomico Resources and PT. Kapitalindo Management having entered into the mining services agreement, under which PT. Tomico Resources will provide mining and exploration and other related services to PT. Kapitalindo Management;
- (ix) PT. Kapitalindo Management having entered into the mineral sale agreement with PT. Tomico Resources or another company nominated by the Galileo BVI, under which PT. Kapitalindo Management will supply all the mineral resources extracted by it to PT. Tomico Resources or such other company nominated by Galileo BVI;
- (x) the current Indonesian shareholders of PT. Kapitalindo Management having entered into (1) a loan agreement (under which a certain sum will be borrowed by such Indonesian shareholders) with either Gold Track or PT. Tomico Resources, and (2) a share charge for charging all the shares of PT. Kapitalindo Management they hold in favour of PT. Tomico Resources; and
- (xi) the obtaining of an exploitation licence in relation to the Mine by Gold Track Group.

If the above conditions precedent have not been satisfied, or waived by Galileo BVI in respect of conditions precedent (i), (ii), (viii), (ix) and (x), within 180 days from the date of the Subscription Agreement (or such later date as the parties thereto may agree), the Subscription Agreement and the Supplemental Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other thereunder save for antecedent breaches of the terms of the Subscription Agreement and the Supplemental Agreement.

Completion

Completion shall take place on or before the third Business Day after the fulfillment (or waiver) of the conditions precedent referred to above, or such later date as the parties to the Subscription Agreement and the Supplemental Agreement may agree.

Some of the major conditions precedent are further discussed below:

Mining services agreement

As mentioned in condition (viii) above, completion is conditional upon PT. Tomico Resources and PT. Kapitalindo Management having entered into the mining services agreement, under which PT. Tomico Resources will provide all services necessary or related to the extraction of the iron ores for the term stipulated in the Exploration Permit (as defined in the paragraph headed “PT. Kapitalindo Management” under the section headed “Information on the Gold Track Group”).

It is intended that PT. Tomico Resources will undertake all expenditure in relation to the exploitation and will recover its costs by charging PT. Kapitalindo Management a mining services fee which represents the actual cost of mining plus a margin to ensure that PT. Tomico Resources will earn a reasonable return. Moreover, PT. Tomico Resources will provide sales services, including soliciting potential customers of the iron ores.

The mining service agreement will generate revenue for the Group through providing relevant mining services. Gold Track will hire international experts and technical personnel for such services. Moreover, it will enable the Group to gain more experience in mining operations, which will be valuable if the Group will further develop mining business in other parts of the world. Lastly, the mining service agreement will provide an opportunity for the Group to supervise the mining operations of PT. Kapitalindo Management, which can assist the Group in determining whether the Group should demand repayment of the loan given to the Indonesian shareholders of PT. Kapitalindo Management (details will be discussed below).

Mineral sale agreement

As mentioned in condition (ix) above, completion is conditional upon PT. Kapitalindo Management having entered into the mineral sale agreement with PT. Tomico Resources or another company nominated by the Galileo BVI, under which PT. Kapitalindo Management will sell all the mineral extracted from the Mine throughout the term stipulated in the Exploitation Permit to PT. Tomico Resources or another company nominated by the Galileo BVI.

It is intended that PT. Tomico Resources or another company nominated by the Galileo BVI will on-sell the coal to other international buyers, and payment under this mineral sale agreement will be made a monthly basis.

The mineral sale agreement will enable the Group to have a relatively steady supply of the mineral resources, which will be further sold by the Group at a higher price. It is expected that the Group will generate a satisfactory revenue and profits from trading of such mineral resources.

Loan agreement and share pledge

As mentioned in condition (ix) above, completion is conditional upon the current Indonesian shareholders of PT. Kapitalindo Management having entered into a loan agreement (under which US\$100,000 will be borrowed by such Indonesian shareholders) with either Gold Track or PT. Tomico Resources. The repayment period of the loan will be 10 years from the date of the loan agreement, or the term of the exploitation licence owned by PT. Kapitalindo Management. However, the Group has the ultimate right to demand early full repayment of the entire loan. Unless written consent is given by Gold Track or PT. Tomico Resources, no prepayment of any part of the loan initiated by the Indonesian shareholders will be permitted. The loan will bear an interest rate of 5% per annum.

The purpose of the loan is to provide funding for the Indonesian shareholders to commence mining operations of PT. Kapitalindo Management. In return, the Indonesian shareholders will provide a security for such loan, by pledging all the shares in PT. Kapitalindo Management to the PT. Tomico Resources.

As a security of such loan, the Indonesian shareholders will pledge all their shares of PT Kapitalindo Management to PT Tomico Resources by way of executing a share charge. Such pledge of shares will be discharged upon full settlement of the loan due to the lender. According to the legal advisors of the Company as to Indonesian laws, as the shares of PT Kapitalindo Management are pledged to PT Tomico Resources under the share charge, PT Tomico Resources will have an equitable or beneficial interest in the shares of the PT Kapitalindo Management.

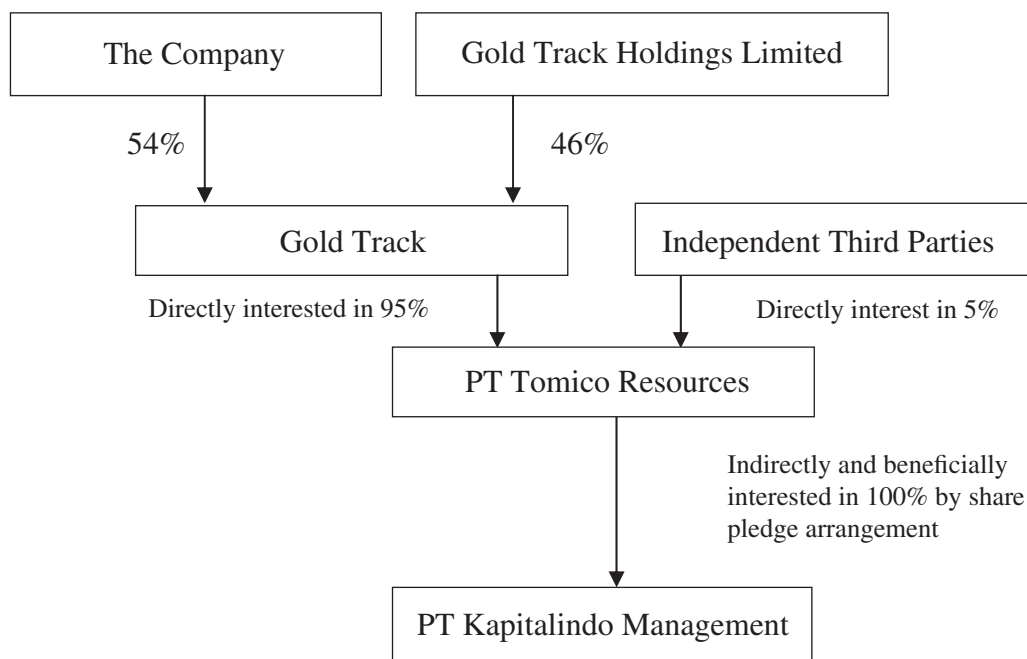
Indonesian legal opinion

As mentioned in condition (iv) above, completion is conditional upon obtaining a satisfactory legal opinion issued by an Indonesian lawyer in relation to the Subscription and the transactions contemplated thereunder. It is expected that the Indonesian legal opinion will also cover the legality and validity of the loan agreement and share pledge to be signed by the two Indonesian shareholders of PT. Kapitalindo Management, the mineral sale agreement and the mining services agreement. Therefore, completion is subject to the enforceability and validity of these three agreements.

INFORMATION ON THE GOLD TRACK GROUP

Shareholding structure of the Gold Track Group

The following chart sets out the shareholding structure of the Gold Track Group after completion of the Subscription, subject to the legal opinion of the Indonesian legal advisers:



Gold Track

Gold Track is a company incorporated in the BVI in 16 May 2008 with limited liability and whose entire issued share capital is beneficially owned as to 49% by Ms. Yeung So Lai and as to 51% by independent third parties as at the date of this announcement. Gold Track is principally engaged in the holding of PT. Tomico Resources and PT. Kapitalindo Management.

The unaudited unconsolidated net assets value of the Target Company as at 30 September 2008 was approximately HK\$78,000.

Gold Track is an investment holding company having 95% equity interests in PT. Tomico Resources.

PT. Tomico Resources

PT. Tomico Resources is a company incorporated in Indonesia in 26 March 2008 with limited liability and whose entire issued share capital is owned as to 95% by Gold Track as at the date of this announcement. It will enter into the mining services agreement and mineral sale agreement, details of which are set out in the above to this announcement.

The unaudited net assets of PT. Tomico Resources as at 30 September 2008 were approximately HK\$3,900,000.

PT. Tomico Resources is an investment holding company having 100% indirect and beneficial interests in PT. Kapitalindo Management.

PT. Kapitalindo Management

PT. Kapitalindo Management is a company incorporated in Indonesia in 27 November 2006 with limited liability and whose entire issued share capital is wholly owned by two Indonesians, both of whom are independent from the Company and connected persons of the Company as at the date of this announcement. After completion of the Subscription, the entire issued share capital will be wholly beneficially owned by PT. Tomico Resources as a result of the share pledge executed in favour of PT. Tomico Resources. PT. Kapitalindo Management has obtained the relevant governmental approvals and permits on 15 October 2008 in locating and discovering the natural resources in or around Indonesia. As at the date hereof, PT. Kapitalindo Management has obtained the exploitation permit (the “**Exploration Permit**”), which is granted by the Indonesian government for exploration of the mineral resources in the Mine for a term of 1.5 years. Such Exploration Permit is renewable for the extension of 20 to 30 years. The land use right will be granted for exploitation for a term of 20 years.

The unaudited net assets value of PT. Kapitalindo Management as at 30 September 2008 was approximately HK\$250,000.

All of Gold Track, PT. Tomico Resources and PT. Kapitalindo Management have not commenced operations yet and therefore have not recorded any turnover or profits since their respective dates of incorporation. Upon Completion, Gold Track, PT. Tomico Resources and PT. Kapitalindo Management will become subsidiaries of the Company and their results will be consolidated into the Group's financial statements.

INFORMATION ON THE MINE

The Mine is located in Ende Flores, Nusa Tenggara Timur in Indonesia with an aggregate mining area of 4,413 hectares with a total length of 38 km.

According to the information provided by Gold Track, the Mine is estimated to have iron reserves of approximately 80.60 million tonnes, with 20 years of production. With reference to the current market price of iron, the prices are ranging from RMB400 per tonnes to RMB980 per tonnes. Based on the above information, the Board estimates that the market value of the Mine will not be less than HK\$500,000,000. The Company has appointed an independent technical advisor to evaluate the amount of reserve resources of the Mine. The reserves amount of the Mine and the business value of Gold Track Group will be disclosed in the circular.

The Mine is located at 3 km away from the local airport, 3.5 km away from the pier and is surrounded by state highway. With the existing local infrastructure, the Board considers the transportation cost as well as the production cost of the Mine is reduced. The Mine is approximately 2,900 km away from Hong Kong and approximately 3,880 km away from Yang Shan, Shanghai, China. As compared to approximately 16,880 km and 7,020 km away from Brazil and Australia respectively, two of the largest mine suppliers to China in the market, the transportation cost of the Mine to China is lesser. As such, the Board is of the view that Gold Track Group will have a competitive advantage within the mining business.

Further information in respect of the Subscription and the Mine will be disclosed in the circular of the Company.

REASONS FOR THE SUBSCRIPTION

The Company is principally engaged in providing services to assist clients on various business or management issues, computer hardware and software services, services to assist clients on various funeral customer and activities. It is always the Group's objective to seek new business projects to enhance the financial performance of the Group.

Indonesia has abundant resources to be discovered and explored. It will provide a great potential for the Group's business growth if the Group is able to step into the natural resources business of Indonesia. As the Board considers that the demand for iron is still high in the foreseeable future, the Subscription will enable the Company to participate in a potentially profitable business. Based on the information provided in the section headed "Information on the Mine", since it is economically viable for exploitation of at least 46.37% of the iron reserves located at the Mine, the Board considers it is worth investing the Gold Track Group. Moreover importantly, the Group will be able to obtain (i) relevant experience in running a mining business and (ii) business connections in the mining industry, both of which are valuable intangible assets for the Group in case the Group further develops its mining business.

In addition, taking into account of the market potentials of the businesses of the Gold Track Group, and the possible earnings contribution of the Gold Track Group to the Group in the future, the Directors consider that the Acquisition can broaden the Group's income base and improve its financial performance. However, the Group will continue its current businesses after Completion.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

With the business relationship with the management of Gold Track, the Board expects that further acquisition in mining business will be sought. However, save for the Subscription, no other acquisition is proposed or under negotiation as at the date of this announcement. The Board also expects that spin-off for a separate listing of mining business on the GEM may be proposed if the profit derived from mining business is sustained in future.

According to the board of directors of Gold Track, it is under negotiation with the independent third parties to acquire a company with an exploration right at another mine field in Indonesia. Such mine may contain manganese, a transition metals to produce steel. Further announcement will be made by the Company in accordance to the Listing Rules in this regard.

RISK FACTORS

Possible risk factors which may be faced by the Company are as follows:

Investments in new business

The Subscription constitutes an investment in the new business sector. The new business, coupled with the regulatory environment, may pose significant challenges on the Group's administrative, financial and operational resources. Since the Group does not have significant experience in the new business, it is not in a position to estimate the possible return from the new business nor is it in a position to control the operation risks.

Continuous capital investment

The mining business requires significant and continuous capital investment. The mine exploration project may exceed the original budgets, and it is not guaranteed to achieve the intended economic results or commercial viability. Actual capital expenditures for the new business may significantly exceed the Group's budgets because of various factors beyond the Group's control, which in turn may affect the Group's financial condition.

Policies and regulations

The new business is subject to extensive governmental regulations, policies and controls. There can be no assurance that the relevant government authorities (i) will maintain the existing laws and regulations or (ii) will not impose additional or more stringent laws or regulations. Failure to comply with the relevant laws and regulations may adversely affect the Group.

Environmental protection policies

The mining and processing business is subject to environmental protection law and regulations. If the Group fails to comply with existing or future environmental laws and regulations, the Group may be required to take remedial measures, which could have a material adverse effect on the business, operations, financial condition and results of operations of the Group.

GENERAL

The Subscription constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, Gold Track is beneficially owned as to 49% by Ms. Yeung So Lai, who is the sister-in-law of Mr. Cheng Ting Kong (a substantial shareholder of the Company). Gold Track is therefore regarded as a connected person of the Company and the Subscription is regarded as a connected transaction under Chapter 20 of the GEM Listing Rules. With regard to the above, Independent Shareholders' approval is required for the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, Mr. Cheng Ting Kong and his associates are beneficially interested in 140,000,000 Shares. As Mr. Cheng Ting Kong has a material interest in the Subscription, he and his associates are required to abstain from the voting at the SGM on the resolution to approve the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) further details of the Subscription, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the Supplemental Agreement (iv) a business valuation report in relation to Gold Track Group, (v) a technical report in relation to the Mine, (vi) accountants' report of Gold Track, (vii) unaudited pro forma financial information the Group as enlarged by the acquisition of Gold Track Group and (viii) a notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules. Pursuant to Rule 19.38 and Rule 20.49 of the GEM Listing Rules, the circular is required to be despatched to Shareholders within 21 days after publication of this announcement. However, it is expected to take two to three months for the preparation of the accountants' report of Gold Track, the business valuation report in relation to Gold Track Group and the technical report in relation to the Mine. Accordingly, a delay in despatch announcement will be made by the Company in respect of the despatch date of the circular. Application will also be made to the Stock Exchange for a waiver from strict compliance with Rule 19.38 and Rule 20.49 of the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:40 a.m. on 8 October 2008 pending the release of this 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 9:30 a.m. on 3 November 2008.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (other than a Saturday and a Sunday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“BVI”	the British Virgin Islands
“Company”	Sun International Group Limited (stock code: 8029), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the GEM
“Completion”	completion of the Subscription in accordance with the Subscription Agreement and the Supplemental Agreement
“Director(s)”	director(s) of the Company
“Galileo BVI”	Galileo Capital Group (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Gold Track”	Gold Track Mining and Resources Limited, a company established in the BVI with limited liability
“Gold Track Group”	Gold Track, PT. Tomico Resources, PT. Kapitalindo Management
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Subscription
“Independent Shareholder(s)”	Shareholders other than Mr. Cheng Ting Kong and his associates
“Independent Third Party”	a third parties independent of the Company and connected person of the Company
“Mine”	the mine area containing iron resources located in Ende Flores, Nusa Tenggara Timur in Indonesia with an aggregate mining area of 4,413 hectares with a total length of 38 km
“Mineral Resources”	the mineral resources extracted from the Mine consisting of iron
“Subscription”	the subscription of the Subscription Shares by Galileo BVI pursuant to the Subscription Agreement and the Supplemental Agreement

“Subscription Agreement”	the conditional subscription agreement dated 8 October 2008 entered into between Galileo BVI and Gold Track in relation to the Subscription
“Subscription Shares”	11,739 issued shares of US\$1 each in the capital of Gold Track, being its entire issued share capital
“Supplemental Agreement”	the supplemental agreement dated 23 October 2008 entered into between Galileo BVI and Gold Track in respect of the amendments of certain terms of the Subscription Agreement
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“km”	kilometer(s)
“km ² ”	square kilometer(s)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Sun International Group Limited
Chau Cheok Wa
Director

Hong Kong, 31 October 2008

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Chau Cheok Wa, Mr. Chui Bing Sun, Mr. Lee Chi Shing, Caesar, Ms. Cheng Mei Ching and Mr. Tang Hon Kwong and four independent non-executive Directors, namely Mr. Siu Hi Lam, Alick, Mr. Kwok Kwan Hung, Mr. Fung Kwok Ki and Mr. Poon Lai Yin Michael.

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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the pages of “Latest Company Announcements” on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.