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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) MAJOR TRANSACTION AND CONNECTED TRANSACTION – ACQUISITION OF INDONESIAN MINING BUSINESS;

(2) DELAY IN DESPATCH OF THE CIRCULAR;

AND

(3) RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that on 16 October 2009, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire the Sale Shares and the Sale Loan from the Vendor at a total consideration of HK\$76.5 million, which will be satisfied upon Completion (i) as to HK\$5 million in cash; and (ii) as to HK\$71.5 million by the Purchaser procuring the Company to issue the Promissory Note.

The Target Company is an investment holding company having 95% equity interest in P.T. ACME as at the date hereof. Upon Completion, P.T. ACME will be, through a share pledge arrangement, holding 100% beneficial interest in P.T. Multi. The Target Group will be engaged in the business of mining of iron ore resources, provision of mining services and sale of mineral properties. P.T. Multi is currently holding the exploration licence and the Exploitation Licence for the Mine, together with a mineral resources export licence. The Mine is located in Padang, Sumatra, Indonesia with an aggregate mining area of approximately 44.38 hectares, whose Mineral Resources are mainly iron.

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

GENERAL

The Acquisition constitutes a major transaction 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, the Vendor is beneficially owned as to 55% by Ms. Yeung So Lai, who is the sister-in-law of Mr. Cheng Ting Kong (a substantial Shareholder of the Company). The Vendor is therefore regarded as a connected person of the Company and the Acquisition 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 Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, though the Vendor is not holding any Shares, Mr. Cheng Ting Kong and his associates are beneficially interested in 140,000,000 Shares (representing approximately 16.82% of the entire issued Shares) as at the date hereof. Moreover, the Target Company is currently beneficially owned as to 68% by the Vendor and 32% by Mr. Chan Ping Che (who is beneficially interested in 50% of Premier United Limited, which in turn is holding 95,000,000 Shares, representing approximately 11.42% of the entire issued Shares) as at the date hereof. Upon Completion, Mr. Chan Ping Che will still be beneficially interested in 32% of the Target Company. As Mr. Cheng Ting Kong and Mr. Chan Ping Che have a material interest in the Acquisition, each of them and their respective associates are required to abstain from voting at the EGM on the resolution to approve the Acquisition Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) further details of the Acquisition; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition 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 Acquisition Agreement and the transactions contemplated thereunder; (iv) a valuation report in relation to the Target Company and/or the Mine; (v) a technical report in relation to the Mine; (vi) an accountants' report of the Target Group; (vii) unaudited pro forma financial information the Group as enlarged by the acquisition of the Target Group; and (viii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

DELAY IN DESPATCH OF THE CIRCULAR

Pursuant to Rules 19.38 and 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 the Target Group, the valuation report and the technical report in relation to the Mine. Accordingly, the circular can only be despatched to the Shareholders on or before 19 January 2010. Application will be made to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the issued Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on 16 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the issued Shares on the Stock Exchange with effect from 9:30 a.m. on 5 November 2009.

Reference is made to the announcement published by the Company on 29 October 2009 relating to the acquisition of 54% equity interests of an investment holding company which in turn would indirectly hold 95% interests in the exploitation licence of a mine located in Indonesia. This announcement will provide further information on such acquisition in accordance with the requirements of the GEM Listing Rules.

THE ACQUISITION AGREEMENT

Date

16 October 2009

Parties

- (i) Gold Track Holdings Inc., as vendor; and
- (ii) Galileo Capital Group (BVI) Limited, as purchaser.

The Vendor is an investment holding company. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is beneficially owned as to 55% by Ms. Yeung So Lai, and as to 45% by Plexton Investments Inc. Plexton Investments Inc. and its ultimate beneficial owners are third parties independent of the Company and its connected persons, while Ms. Yeung So Lai is the sister-in-law of Mr. Cheng Ting Kong (a substantial shareholder of the Company beneficially interested in 140,000,000 Shares (representing approximately 16.82% of the entire issued Shares) as at the date hereof) and is therefore a connected person of the Company.

Pursuant to the Acquisition Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares (being 5,400 issued shares of the Target Company, representing approximately 54% of its entire issued share capital) and the Sale Loan (being all the debts, obligations and liabilities owed by the Target Company to the Vendor as at Completion, representing 50% of the debts owed by the Target Company to its shareholders as at date hereof).

The Vendor subscribed the Sale Shares at the incorporation of the Target Company at the cost of US\$5,400 (which is equivalent to the paid-up share capital of the Sale Shares at par value), and has held the Sale Shares up to the date hereof. The Sale Loan was lent to the Company by the Vendor at its face value.

Consideration

The Consideration is HK\$76.5 million, which will be satisfied by the Purchaser in the following manner:

- (i) as to HK\$5 million shall be paid by the Purchaser in cash to the Vendor upon Completion; and
- (ii) as to HK\$71.5 million shall be satisfied by the Purchaser procuring the Company to issue the Promissory Note upon Completion.

The Consideration was arrived at after arm's length negotiations between the parties to the Acquisition Agreement after taking into account, among others, the business prospects of the Target Group, the possible contribution to the Group from the proceeds generated from exploitation of the Mineral Resources at the Mine, the potentially growing demand for iron resources in the future, and the synergetic effect brought on the current Indonesian mining business of the Group after the completion of the Acquisition.

Conditions precedent

Completion is subject to the following conditions precedent:

- (i) the Purchaser being satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Group and the Mine;

- (ii) all necessary consents, authorizations and approvals required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained;
- (iii) the passing by the Independent Shareholders at the EGM of an ordinary resolution to approve the Acquisition Agreement and the transactions contemplated thereunder;
- (iv) the obtaining of a Indonesian legal opinion (in form and substance satisfactory to the Purchaser) issued by a firm of Indonesian lawyers appointed by the Purchaser in relation to the transactions contemplated under the Acquisition Agreement;
- (v) the warranties provided by the Vendor under the Acquisition Agreement remaining true and accurate in all respects;
- (vi) the obtaining of a technical report (in form and substance satisfactory to the Purchaser) in relation to the Mine prepared by an independent technical personnel appointed by Purchaser;
- (vii) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) in relation to the Mine and/or the Target Group prepared by an independent valuer appointed by the Purchaser, indicating that the value of the Mine and/or the Target Group will not be less than the consideration to be paid by the Purchaser under the Acquisition Agreement;
- (viii) P.T. ACME having entered into the mining services agreement with P.T. Multi, under which P.T. ACME will provide mining and exploration and other related services to P.T. Multi, such mining services agreement shall be in form and substance satisfactory to the Purchaser;
- (ix) P.T. ACME having entered into the mineral sale agreement with P.T. Multi, under which P.T. ACME will procure buyers for the iron resources exploited from the Mine, such mineral sale agreement shall be in form and substance satisfactory to the Purchaser;
- (x) the current Indonesian shareholders of P.T. Multi having entered into a loan agreement (under which a certain sum will be borrowed by such Indonesian shareholders) with P.T. ACME, and a share charge for charging all the shares of P.T. Multi they hold in favour of P.T. ACME, such loan agreement and share charge shall be in form and substance satisfactory to the Purchaser; and
- (xi) the current Indonesian shareholders of P.T. Multi having entered into an option deed (in form an substance satisfactory to the Purchaser) with P.T. ACME, pursuant to which P.T. ACME is granted a call option to purchase all the issued share capital of P.T. Multi held by the current Indonesian shareholders of P.T. Multi, if a foreign-owned company is permitted to directly own the entire issued shares capital of P.T. Multi under the Indonesian laws.

If the above conditions precedent have not been satisfied, or waived by the Purchaser in respect of conditions precedent (i) and (v), before 12 noon on 31 March 2010, the Acquisition 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 Acquisition Agreement.

For the avoidance of doubt, conditions (ii), (iii), (iv), (vi), (vii), (viii), (ix), (x) and (xi) are not waivable by the Purchaser.

Some of the major conditions precedent are further discussed below:

Mining services agreement

As mentioned in condition (viii) above, Completion is conditional upon P.T. ACME having entered into the mining services agreements with P.T. Multi, under which P.T. ACME will provide mining and exploration and other related services to P.T. Multi. Such agreement will be valid throughout the term of the Exploitation Licence granted to P.T. Multi.

Mineral sale agreement

As mentioned in condition (ix) above, Completion is conditional upon P.T. ACME having entered into the mineral sales agreement with P.T. Multi, under which P.T. ACME will procure buyers for the iron resources exploited from the Mine. Such agreement will be valid throughout the term of the Exploitation Licence granted to P.T. Multi. It is intended that P.T. ACME will procure international buyers of the iron resources.

Loan agreement and share pledge

As mentioned in condition (x) above, Completion is conditional upon the current Indonesian shareholders of P.T. Multi having entered into a loan agreement (under which a certain sum will be borrowed by such Indonesian shareholders) with P.T. ACME. The exact sum is to be agreed upon, with regard to the amount of money required by them for financing the operations of P.T. Multi, but it is expected by the Board that the exact sum would be ascertained and disclosed in the circular for the information of the Shareholders. It is intended that the loan is for a term of 5 years or the valid period of the Exploitation Licence, whichever is shorter. Unless consent is given by P.T. ACME, no prepayment of any part of the loan initiated by the Indonesian shareholders will be permitted. The loan will bear an interest of 5% per annum.

In return, the Indonesian shareholders of P.T. Multi will provide a security for such loan, by pledging all the shares in P.T. Multi to P.T. ACME. 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, such share pledge arrangement shall be in compliance with the existing Indonesian laws, rules and regulations. As the shares of P.T. Multi are pledged to P.T. ACME under the share charges, P.T. ACME will have an indirect equitable or beneficial interest in the entire issues shares of P.T. Multi under Indonesian laws.

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 Acquisition Agreement and the transactions contemplated thereunder. Due to the restrictions of the Indonesian laws, foreign entities are not permitted to directly hold any interest in P.T. Multi, the Indonesian company which holds the Exploitation Licence. As such, the mining services agreement, mineral sales agreement are entered into so as to enable the Group (as enlarged by the Target Company and P.T. ACME) can obtain revenue by providing advisory services to P.T. Multi on mining operations, while the loan agreement and the

share pledge are entered into so as to provide funding for P.T. Multi for its daily operations and to consolidate the results of P.T. Multi into the Company's financial statements. 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 Indonesian shareholders of P.T. Multi, the mineral sale agreement and the mining services agreement. In particular, the Indonesian legal advisers to the Company will opine on whether the loan agreement and the share pledge are made in compliance with Indonesian laws, rules and regulations. Therefore, Completion is subject to the enforceability and validity of these agreements. Such Indonesian legal opinion will also cover the validity and legality of the exploration licence, the Exploitation Licence and the mineral resources export licence held by P.T. Multi, as well as some basic corporate information of the Indonesian companies of the Target Group (including but not limited to the issues on due incorporation, the current composition of the board, the powers of the company, the contents of the memorandum and articles of association). Further details of the Indonesian legal opinion will be included in the circular.

Option deed

As mentioned in condition (xi) above, Completion is conditional upon the current Indonesian shareholders of P.T. Multi having entered into an option deed with P.T. ACME. Under this deed, the current shareholders of P.T. Multi will grant a call option to P.T. ACME, pursuant to which P.T. ACME could purchase all the issued shares in P.T. Multi, if there is a change of Indonesian laws to the effect that foreign-owned companies can directly hold the entire beneficial interest of an Indonesian company which holds an exploitation licence for an iron mine.

Completion

Completion shall take place on any date falling within the fifth Business Day after the fulfillment (or waiver) of the conditions precedent referred to above, or such later date as the parties to the Acquisition Agreement may agree.

Terms of the Promissory Note

The principal terms of the Promissory Note to be issued by the Company upon Completion will be as follows:

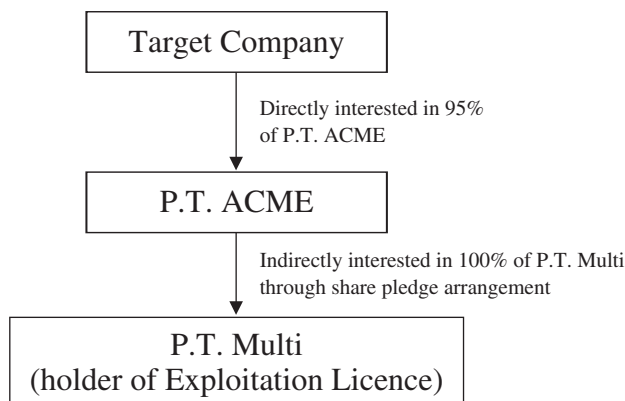
Principal amount	HK\$71,500,000
Maturity Date	12 months from the date of Completion
Interest rate per annum	0%
Security	Unsecured

The Company may, by giving 5 Business Day's notice, redeem any or part of the Promissory Note (in amounts of not less than HK\$0.5 million), at any time after the date of issue of the Promissory Note. Subject to the foregoing, the principal amount of the Promissory Note outstanding on the Maturity Date shall be repayable in one lump sum on the Maturity Date.

INFORMATION ON THE TARGET GROUP

Shareholding structure of the Target Group

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



Target Company

The Target Company is incorporated in the BVI in May 2008 with limited liability and whose entire issued share capital is beneficially owned as to 68% by the Vendor and as to 32% by Mr. Chan Ping Che (who is beneficially holding 50% of Premier United Limited, which in turn is holding 95,000,000 Shares, representing approximately 11.42% of the issued Shares) as at the date of this announcement. The Target Company is principally engaged in investments holding. The Target Company is currently indebted (i) to the Vendor in the sum of HK\$19,500,000 and (ii) to Mr. Chan Ping Che in the sum of HK\$19,500,000 as at the date of this announcement. The indebtedness owed to the Vendor (i.e. the Sale Loan) will be assigned to the Purchaser upon Completion.

The unaudited net assets value of the Target Company as at 30 September 2009 was approximately HK\$13,000.

P.T. ACME

P.T. ACME is a company incorporated in Indonesia in February 2009 with limited liability and whose entire issued share capital is owned as to 95% by the Target Company and as to 5% by P.T. Fredin Indonesia (each of it and its ultimate beneficial owners is an independent third party not connected with the Company or its connected persons) as at the date of this announcement. It will be principally engaged in provision of mining services and mineral sale services after entering into the mineral sales agreement and the mining services agreement with P.T. Multi. The Group has the relevant experience in mining and exploitation, as it has already conducted such activities after completion of the acquisition of another Indonesian mining operations in July 2009. After Completion, the Group will provide personnel, management assistance for P.T. ACME so that P.T. ACME can provide mining services and mineral sales services to P.T. Multi.

The unaudited net liabilities of P.T. ACME as at 30 September 2009 were approximately IDR3,863,000 (equivalent to about HK\$3,000).

P.T. Multi

P.T. Multi is a company incorporated in Indonesia in 30 June 2004 with limited liability and whose entire issued share capital is beneficially owned as to 50% by P.T. Setia Kawan Minerals and as to 50% by P.T. Guna Mitra Jasa as at the date hereof. After completion of the Acquisition, the entire issued share capital of each of P.T. Multi will be wholly beneficially owned by P.T. ACME as a result of the share pledges executed in favour of P.T. ACME. P.T. Multi has obtained (i) the relevant governmental exploration licence for locating and discovering the natural resources in or around the nearby area of the Mine, (ii) the Exploitation Licence for mining the iron resources contained in the Mine and (iii) the mineral resources export licence for exporting the minerals exploited in the Mine to other countries. P.T. Multi is principally engaged in mining of iron ore resources and sale of mineral properties. It is not expected by the Board that there will be any change of management of P.T. Multi as a result of the share pledge arrangement or after Completion. As P.T. Multi has already obtained the Exploitation Licence, it will be principally engaged in mining and exploitation of mineral resources, instead of exploration. P.T. Multi has been carrying works to clear up the mining site and building certain basic infrastructure so as to ensure that the mining activities can be carried out smoothly in future.

The unaudited net liabilities value of P.T. Multi as at 30 September 2009 was approximately IDR4,243,000,000 (equivalent to about HK\$3,400,000).

As the Target Company and P.T. ACME are principally engaged in investment holding since their incorporation in May 2008 and February 2009 respectively, they have no substantial operations and therefore have not recorded any turnover or profits since incorporation. For P.T. Multi, it mainly focused on carrying out exploration works and preliminary works for ensuring smooth mining operations in the past two financial years. As such, it has not recorded any turnover. The unaudited financial results of the P.T. Multi for the past two financial years are as follows:

	For the year ended 31 December 2007 (unaudited)	For the year ended 31 December 2008 (unaudited)
Turnover	IDR0	IDR0
Losses before tax	IDR1,518,329,000 (equivalent to about HK\$1,225,000)	IDR1,862,808,000 (equivalent to about HK\$1,503,000)
Losses after tax	IDR1,518,493,000 (equivalent to about HK\$1,226,000)	IDR1,862,990,000 (equivalent to about HK\$1,504,000)

Upon Completion, the Target Company will be beneficially owned as to 54% by the Purchaser, 14% by the Vendor and 32% by Mr. Chan Ping Che. As the Company will be beneficially interested in approximately 51% of the equity interest of each of P.T. ACME, and P.T. Multi, all members of the Target Group will be subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Company after Completion.

INFORMATION ON THE MINE

The Mine is located in Padang, Sumatra, Indonesia with an aggregate mining area of 44.38 hectares. Its major mineral resources are iron.

According to the feasibility report issued by an affiliated company of the Vendor, the amount of iron resources present in the Mine is estimated to be approximately 5.665 million tonnes, 1.835 million tonnes out of which is classified as grade “333” according to United Nations Framework Classification system. Grade “333” resources are inferred resources but having intrinsic economic interest and reasonable prospect for exploitation. Such estimates were arrived based on the relevant PRC guidelines on exploration of iron, manganese resources. The Group will prepare a more in-depth technical report and include the same in the circular to be despatched for Shareholders’ information.

P.T. Multi has already obtained the Exploitation Licence, pursuant to which P.T. Multi can exploit the iron resources at the Mine. Details of the Exploitation Licence is as follows:

Licence number	Holder of the exploitation licence	Mining area (hectares)	Expiry date
540-379-2009	P.T. Multi	44.38	September 2014 (which is subject to extension)

REASONS FOR THE ACQUISITION

The Company is principally engaged in providing services to assist clients on various business or management issues, providing computer hardware and software services, operating hotel business in the Philippines, as well as minerals mining in Indonesia. 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 high in the foreseeable future with regard to the signs of the gradual recovery of the global economy, it is expected that the price of iron will rise. The production capacity of the Target Group will likely to increase gradually after commencement of operations, it is expected that the profit margin will increase due to the economy of scale. Moreover, as expenses have been incurred for building certain basic infrastructure for the mining operations and obtaining the Exploitation Licence, the expenditure of the Target Group is not expected to substantially increase. Therefore, the Acquisition will enable the Company to further participate in a potentially profitable business.

In July 2009, the Group has completed its first acquisition of a mining business in Indonesia. The Group will in future focus on developing the mining business in Indonesia. It is expected that a synergy effect can be created by the Acquisition, as the Group has already put in substantial resources in this business in Indonesia. After review of the preliminary technical report on the Mine, the Board considers that the iron resources of the Mine will be commercially viable to be exploited.

Taking into account of the market potentials of the businesses of the Target Group, the possible earnings contribution of the Target Group to the Group in the future, and the synergy effect, 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 business after Completion.

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

RISK FACTORS

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

Continuous capital investment

The mining business requires significant and continuous capital investment. The mine exploitation 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

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A circular containing, among others, (i) further details of the Acquisition, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition 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 Acquisition Agreement and the transactions contemplated thereunder; (iv) a valuation report in relation to the Target Company and/or the Mine, (v) a technical report in relation to the Mine, (vi) an accountants' report of the Target Group, (vii) unaudited pro forma financial information the Group as enlarged by the acquisition of the Target Group and (viii) a notice of the EGM will be despatched to the Shareholders as soon as practicable.

DELAY IN DESPATCH OF THE CIRCULAR

Pursuant to Rules 19.38 and 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 the Target Group, the valuation report and the technical report in relation to the Mine. Accordingly, the circular can only be despatched to the Shareholders on or before 19 January 2010. Application will be made to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 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 2:30 p.m. on 16 October 2009 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 5 November 2009.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan from the Vendor by the Purchaser pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 16 October 2009 entered into between the Vendor and the Purchaser in relation to the Acquisition
“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 Acquisition in accordance with the Acquisition Agreement
“Consideration”	the consideration in the aggregate sum of HK\$76.5 million for the Acquisition
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Acquisition Agreement and the transactions contemplated thereunder
“Exploitation Licence”	the exploitation licence granted by the relevant Indonesian governmental authorities to P.T. Multi for exploiting, mining the Mineral Resources in the Mine, which is valid until September 2014
“GEM”	the 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
“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 formed to advise the Independent Shareholders in respect of the Acquisition
“Independent Shareholder(s)”	Shareholders other than Mr. Cheng Ting Kong, Mr. Chan Ping Che and their respective associates
“Indonesia”	the Republic of Indonesia
“Mine”	the mine area containing iron resources located in Padang, Sumatra, Indonesia with an aggregate mining area of 44.38 hectares
“Mineral Resources”	the mineral resources extracted from the Mine, mainly consisting of iron
“Promissory Note”	the promissory note in the principal sum of HK\$71,500,000 with an interest of 0% per annum which is due 12 months after Completion, to be issued by the Company to the Vendor as part consideration for the Acquisition,
“P.T. ACME”	P.T. ACME Mining and Resources, a company incorporated in the Indonesia with limited liability, which is currently a 95%-owned subsidiary of the Target Company

“P.T. Multi”	P.T. Multi Mineral Magnetic, a company incorporated in the Indonesia with limited liability, which is currently holding the exploration licence of the Mine and the Exploitation Licence
“Purchaser”	Galileo Capital Group (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale Loan”	all the debts, obligations and liabilities owed from the Target Company to the Vendor as at Completion
“Sale Shares”	5,400 issued shares of US\$1 each in the capital of the Target Company currently owned by the Vendor, being 54% of its entire issued share capital
“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
“Target Company”	Gold Track Coal and Mining Limited, a company incorporated in the BVI with limited liability, which is beneficially owned as to 68% by the Vendor and as to 32% by Mr. Chan Ping Che as at the date of this announcement
“Target Group”	collectively the Target Company, P.T. ACME and P.T. Multi, and each a “member of the Target Group”
“Vendor”	Gold Track Holdings Inc., a company incorporated in the BVI with limited liability whose issued share capital is beneficially owned as to 55% by Ms. Yeung So Lai, who is the sister-in-law of Mr. Cheng Ting Kong (a substantial Shareholder of the Company), thus being a connected person
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IDR”	Indonesian Rupiah, the lawful currency of Indonesia
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

The English translation is for identification purposes only.

For the purpose of this announcement, HK\$1 can be converted into IDR1,239 approximately.

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

Hong Kong, 4 November 2009

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chau Cheok Wa, Mr. Tang Hon Kwong, Ms. Cheng Mei Ching and Mr. Lee Chi Shing, Caesar, and three independent non-executive Directors, namely Mr. Fung Kwok Ki, Mr. Poon Lai Yin Michael and Mr. Ng Tat Fai.

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.