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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

Placing Agents



統一企業集團

ATHENS CAPITAL

Athens Capital Limited

On 8 March 2010, the Vendor and the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents have agreed, on a best efforts basis, to procure not fewer than six places to purchase, and the Vendor has agreed to sell, up to 83,000,000 existing Shares at a price of HK\$0.96 per Share.

On the same day, the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor has conditionally agreed to subscribe for up to 83,000,000 new Shares which are equal to the number of Placing Shares at a price of HK\$0.96 per Share.

The Placing Price represents (i) a discount of approximately 11.11% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 7.16% to the average closing price of approximately HK\$1.034 per Share as quoted on Stock Exchange for the last five trading days immediately prior to the Last Trading Day; and (iii) a discount of approximately 2.93% to the average closing price of approximately HK\$0.989 per Share as quoted on Stock Exchange for the last ten trading days immediately prior to the Last Trading Day.

The Subscription Shares of 83,000,000 Shares represent approximately 9.97% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.07% of the issued share capital of the Company as enlarged by the Subscription.

The gross proceeds from the Subscription are estimated to be approximately HK\$79.68 million and the net proceeds are estimated to be approximately HK\$78.48 million, which are intended to be used for the general working capital of the Group.

THE PLACING AGREEMENT

Date

8 March 2010 (after trading hours)

Parties

- (a) the Vendor, a Shareholder and who is the legal and beneficial owner of approximately 16.82% of the existing issued share capital of the Company as at the date of this announcement;
- (b) the Company; and
- (c) the Placing Agents.

Basis of the Placing

The Placing Agents will place the Placing Shares on a best efforts basis.

Number of Placing Shares

Up to 83,000,000 Shares, representing approximately 9.97% of the existing issued share capital of the Company as at the date of this announcement or approximately 9.07% of the issued share capital of the Company as enlarged by the Subscription.

Placing Commission

Being 1.5% of the amount equal to the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agents.

The Placing Price

HK\$0.96 per Share. The Placing Price represents:

- (i) a discount of approximately 11.11% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 7.16% to the average closing price of approximately HK\$1.034 per Share as quoted on Stock Exchange for the last five trading days immediately prior to the Last Trading Day; and
- (iii) a discount of approximately 2.93% to the average closing price of approximately HK\$0.989 per Share as quoted on Stock Exchange for the last ten trading days immediately prior to the Last Trading Day.

The Placing Price was determined on 8 March 2010 and was agreed at after arm's length negotiations among the Vendor, the Company and the Placing Agents. The Directors consider that the Placing Price is fair and reasonable and the Placing is in the best interests of the Company and its Shareholders as a whole.

The net placing price of each Placing Share is approximately HK\$0.95 per Placing Share.

Rights

The Placing Shares will be sold free and clear of all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching thereto as at the date of completion of the Placing, including the right to receive all dividends or other distributions declared, made or paid on the Placing Shares at any time after the date of completion of the Placing.

Termination of the Placing

The Placing Agents have the right to terminate the Placing Agreement if, amongst other things, prior to completion of the Placing:

- (i) in the reasonable opinion of the Placing Agents there have been certain events as would be likely to prejudice materially the consummation of the Placing; or
- (ii) there is any material breach of any of the representations and warranties of the Company or the Vendor set out in the Placing Agreement; or
- (iii) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agents is material in the context of the Placing; or
- (iv) any moratorium, suspension or material restriction on trading in Shares or securities generally or the establishment of minimum prices on the Stock Exchange.

Completion of the Placing

The Placing is expected to be completed on or before 18 March 2010 or such other date as the Vendor and the Placing Agents may agree in writing.

THE SUBSCRIPTION AGREEMENT

Date

8 March 2010 (after trading hours)

Parties

- (a) the Vendor; and
- (b) the Company.

Number of Subscription Shares

Up to 83,000,000 Shares, which are equal to the number of Placing Shares, representing approximately 9.97% of the existing issued share capital of the Company as at the date of this announcement or approximately 9.07% of the issued share capital of the Company as enlarged by the Subscription. The Subscription Shares will be issued pursuant to the General Mandate granted by the Shareholders to the Directors. The aggregate nominal value of the Subscription Shares (or the Placing Shares) will be HK\$3,320,000.

An application will be made to GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Subscription Agreement.

The Subscription price

HK\$0.96 per Share, which is equivalent to the Placing Price.

The gross proceeds from the Subscription are estimated to be approximately HK\$79.68 million and the net proceeds are approximately HK\$78.48 million. The net proceeds of each Subscription Share is approximately HK\$0.95 per Subscription Share.

Mandate to Issue new Shares

The Subscription Shares will be issued under the General Mandate. Pursuant to the General Mandate, the Company is allowed to allot and issue up to 166,422,000 Shares. Up to the date of the Placing Agreement and the Subscription Agreement, no Share has been issued under the General Mandate.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank equally in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the completion of the Placing; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all of the Subscription Shares

Completion of the Subscription

Under Rule 20.31(3)(d) of the GEM Listing Rules, completion of the Subscription shall take place within 14 days after the date of the Placing Agreement, i.e. not later than the Monday, 22 March 2010.

INDEPENDENCE OF PLACEES AND THE PLACING AGENT

Each of the Placing Agents and the placees are third parties independent of and not connected with the directors, chief executive, management shareholders, substantial shareholders or controlling shareholders of the Group or any of their respective associates (as defined in the GEM Listing Rules). There will not be less than six independent placees which will be professional, institutional and/or individual other investors. It is expected that none of the placees will become a substantial Shareholder (as defined in the GEM Listing Rules) upon completion of the Placing.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital for the Company while broadening the Shareholder base and the capital base of the Company. In addition, the Board considers that it is a valuable opportunity to raise funds in the current market situation for the Company's future expansion.

The Directors have considered other types of fund raising arrangement and consider that the current arrangement is the most efficient way in terms of time and cost for the Company to take advantage of current market opportunity.

Assuming 83,000,000 new Shares are issued by the Company and subscribed for by the Vendor under the Subscription and the placing commission, professional fees and all related expenses incurred in relation to the Placing and the Subscription are estimated to be approximately HK\$1.20 million. The gross proceeds from the Subscription are estimated to be approximately HK\$79.68 million and the net proceeds are estimated to be approximately HK\$78.48 million, which are intended to be used for the general working capital of the Group.

The Directors consider that the terms of the Placing Agreement and the Subscription Agreement, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

SHAREHOLDING STRUCTURE

Set out below are tables showing the existing shareholding structure of the Company, the shareholding structure immediately after completion of the Placing but before the Subscription and the shareholding structure immediately after completion of the Placing and the Subscription (*Note 1*):

	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares (<i>Note 2</i>)	Approximate %	Number of Shares (<i>Note 3</i>)	Approximate %
Vendor (<i>Note 4</i>)	140,000,000	16.82	57,000,000	6.85	140,000,000	15.30
Yeung Hak Kan	113,768,500	13.67	113,768,500	13.67	113,768,500	12.43
Premier United Limited (<i>Note 5</i>)	95,000,000	11.42	95,000,000	11.42	95,000,000	10.38
Tang Hon Kwong (<i>Note 6</i>)	3,700,000	0.45	3,700,000	0.45	3,700,000	0.40
Lee Chi Shing, Caesar (<i>Note 6</i>)	500,000	0.06	500,000	0.06	500,000	0.06
Public						
– Placees	–	–	83,000,000	9.97	83,000,000	9.07
– Others	479,141,500	57.58	479,141,500	57.58	479,141,500	52.36
TOTAL	832,110,000	100.00	832,110,000	100.00	915,110,000	100.00

Note:

1. Assuming no Shares are issued or repurchased between the date of this announcement and the date of completion of the Placing and the Subscription.
2. Assuming the maximum number of 83,000,000 Placing Shares have been placed.
3. Assuming the maximum number of 83,000,000 Subscription Shares have been subscribed.
4. The Vendor is beneficially owned as to 45% by Mr. Chau Cheok Wa and as to 45% by Mr. Cheng Ting Kong.

5. Premier United Limited is beneficially owned as to 50% by Mr. Chan Ping Che and as to 50% by Ms. Lam Shiu May.
6. Executive Directors.

GENERAL

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in providing services to assist clients on various business or management issues, computer hardware and software services, mining business, hotel operation and management services.

FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising exercise in the past twelve months immediately before the date of this announcement.

DEFINITIONS

“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Athens Capital”	Athens Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Board”	the board of Directors
“Company”	Sun International Group Limited, a company incorporated in the Cayman Islands with limited liabilities, the shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting, held on 14 August 2009, subject to the limit up to 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution at the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Last Trading Day”	8 March 2010, being the last full trading day for the Shares prior to this announcement
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agents”	President Securities and Athens Capital
“Placing Agreement”	the placing agreement dated 8 March 2010 entered into between the Vendor, the Placing Agents and the Company in relation to the Placing
“Placing Price”	HK\$0.96 per Placing Share
“Placing Shares”	up to 83,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“President Securities”	President Securities (Hong Kong) Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 8 March 2010 entered into between the Vendor and the Company in relation to the Subscription
“Subscription Price”	HK\$0.96 per Subscription Share
“Subscription Shares”	up to 83,000,000 new Shares, which are equal to the number of Placing Shares, to be subscribed by the Vendor pursuant to the Subscription Agreement
“Vendor”	First Cheer Holdings Limited, a company incorporated in British Virgin Islands with limited liability and the issued share capital of which is owned as to 45% by Mr. Chau Cheok Wa and as to 45% by Mr. Cheng Ting Kong

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 8 March 2010

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 Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company’s website at <http://www.sun8029.com>.