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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)

FURTHER ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT

IN RELATION TO THE

ACQUISITION OF

VANADIUM AND SILICA MINING COMPANY IN THE PRC

On 26 March 2011, the Purchaser and the Vendor entered into the Supplemental Agreement, pursuant to which the Purchaser and the Vendor have conditionally agreed to amend certain terms of the Sale and Purchase Agreement.

Save for the terms varied and amended by the Supplemental Agreement, all other terms and conditions of the Sale and Purchase Agreement remain in full force and effect.

INTRODUCTION

Reference are made to the announcements published by the Company dated 23 November 2010 and 6 January 2011 (the “**Announcements**”) relating to the proposed acquisition of the registered and paid-up capital of the PRC Subsidiary.

On 23 November 2010, the Purchaser entered into the MOU with the Target Company regarding the acquisition of the registered and paid-up capital of the PRC Subsidiary. Pursuant to the MOU, the Group intends to acquire and the Target Company intends to dispose of not less than 50% of the registered and paid up capital of the PRC Subsidiary. According to the terms of the MOU, the Purchaser agreed to pay the amount of HK\$30 million, as a refundable earnest money, to an escrow agent jointly appointed by the Purchaser and the Target Company (which shall be treated as part of the consideration in the event that the formal agreement is entered into between the Purchaser and the Target Company). In addition, the Target Company has granted an exclusivity period of 180 days from the date of the MOU to the Purchaser, during which the Target Company shall not be engaged in negotiation with any other third party for the acquisition of the registered and paid-up capital of the PRC Subsidiary.

Subsequently, the Purchaser, the Vendor (i.e. the ultimate beneficial owner of the Target Company) and the Target Company negotiated further and agreed to change the structure of the proposed acquisition. Instead of acquiring the paid-up and registered share capital of the PRC Subsidiary from the Target Company, the Purchaser will acquire 51% of the issued share capital of and the shareholder's loan due from the Target Company from the Vendor. The Purchaser, the Vendor and the Target Company also entered into a supplemental letter to revise the terms of the escrow for the HK\$30 million as a result.

On 12 December 2010, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Capital and the Sale Loan at a total consideration of HK\$408 million.

On 26 March 2011, the Purchaser and the Vendor entered into the Supplemental Agreement, pursuant to which the Purchaser and the Vendor have conditionally agreed to amend certain terms of the Sale and Purchase Agreement.

Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

Set out below are the principal terms of the Supplemental Agreement:

Date

26 March 2011

The Sale Capital and the Sale Loan

The Sale Capital has been adjusted to 17,500 shares of the Target Company, representing 35% of the total issued capital of the Target Company.

The Sale Loan has also been adjusted to 35% of the entire outstanding shareholder's loan owed by the Target Company to the Vendor as at Completion. As at the date of the Supplemental Agreement, the Target Company has no outstanding shareholder's loan owed to the Vendor.

New Consideration

The new Consideration is HK\$280 million (the "**New Consideration**"), which has been and will be satisfied by the Purchaser in the following manner:

- (i) as to HK\$30 million in cash, being the Deposit, which was paid within three (3) Business Days after signing of the Sale and Purchase Agreement;
- (ii) as to HK\$110 million in cash upon Completion; and
- (iii) as to HK\$140 million by the Purchaser procuring the Company to issue to the Vendor or his nominee(s) of the Promissory Note upon Completion.

Basis of New Consideration

The Consideration was arrived between the Purchaser and the Vendor at arm's length negotiations after taking into account the preliminary estimation of the value of the Mine of approximately HK\$1,021 million as at 31 December 2010 prepared by the Valuer and the possible contribution to the Group from the proceeds generated from exploitation of the vanadium and silica resources at the Mine. Having considered that (i) the Acquisition represents an opportunity for the Group to further expand its mining business which is in line with the business strategy of the Group; (ii) the Consideration represents a discount of approximately 21.57% to the preliminary estimation value of 35% of the Mine of approximately HK\$357 million as at 31 December 2010; and (iii) the financial position of the Group, the Board considers that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The Consideration will be funded by internal resource of the Company.

Profit Guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor irrevocably and unconditionally warrants, guarantees and undertakes to and with the Purchaser that the audited consolidated net profit after tax and extraordinary or exceptional items for the period ended 31 December 2012 as to be shown in the audited consolidated accounts of the Target Group for such period to be prepared by a certified public accountants acceptable to the Company shall not be less than HK\$400 million (the "**Guaranteed Profit**").

Pursuant to the Supplemental Agreement, the Vendor will no longer provide warranty, guaranty and undertaken to and with the Purchaser of the Guaranteed Profit.

Save for the adjustment to Sale Capital, the Sale Loan, the Consideration and the Profit Guarantee, all other terms and conditions of the Sale and Purchase Agreement shall remain in full force and effect in all respects.

REASONS FOR THE ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Despite the fact that the proposed Acquisition represents an investment opportunity for the Company to expand its mining investment portfolio into PRC and to enhance the financial performance of the Group. Having considered the development of the Mine is capital intensive, the Directors are of the view that the Company shall maintain a good financial health given that other mining businesses of the Company are undergoing. As such, the Board considers that the entering into the Supplemental Agreement is in the interest of the Company and the Shareholders as a whole.

Upon completion of the Acquisition, the Target Group will be held as to 35% by the Company.

IMPLICATION UNDER THE GEM LISTING RULES

Given the terms of the Sale and Purchase Agreement was amended, the applicable percentage ratios as defined under the GEM Listing Rules are therefore fall below 25%. Since the applicable percentage ratios as defined under the GEM Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

DISCLOSURE IN RELATION TO RULES 19.60A AND 19.62 OF THE GEM LISTING RULES

As set out in the paragraph headed “New Consideration” above, the valuation of the Target Company conducted by Valuer constitutes profit forecast under Rule 19.61 of the GEM Listing Rules . As such, Rules 19.60A and 19.62 of the GEM Listing Rules are applicable.

Pursuant to conditions precedent under the Sale and Purchase Agreement, 100% interest of the Mine (as the case may be) shall be no less than HK\$800,000,000, which the discounted cash flow shall be applied for the purpose of valuation. The Company will publish an announcement containing information in compliance with Rule 19.60A and Rule 19.62 of the GEM Listing Rules.

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

Hong Kong, 28 March 2011

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr Chau Cheok Wa, Ms Cheng Mei Ching, and Mr Lee Chi Shing, Caesar; and (ii) six independent non-executive Directors, namely Mr Fung Kwok Ki, Mr Poon Lai Yin, Michael, Mr Ng Tat Fai, Mr Chan Tin Lup, Trevor, Mr Tou Kin Chuen, and Mr Wang Zhigang.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at <http://www.sun8029.com>.