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## **SUN INNOVATION HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 547)**

### **FRAMEWORK AGREEMENT IN RESPECT OF POSSIBLE ACQUISITIONS AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Rule 3.7 of the Takeovers Code.

#### **The Framework Agreement**

On 3rd April 2011, the Company as purchaser and GXNF and SCT as vendors entered into the Framework Agreement in respect of the Possible Acquisitions. Pursuant to the Framework Agreement, the parties agreed to use reasonable endeavours to complete their respective further due diligence in respect of the transactions contemplated under the Possible Acquisitions on an exclusive basis within one year of the date of the Framework Agreement.

Subject to such due diligence, the parties may or may not enter into the Formal Agreement. If the Formal Agreement is entered into within one year of the date of the Framework Agreement, it is expected to contain certain principal terms set out in the Framework Agreement, including (1) the purchase by the Company from the Guangxi Parties of the Sale Shares 1 for a total consideration to be satisfied as to HK\$161,750,000 in cash and as to the remaining balance by the allotment and issue of 6,736,580,000 Consideration Shares; and (2) the purchase by the Company from GXNF of the Sale Shares 2, for a total consideration to be satisfied as to HK\$38,250,000 in cash and the remaining balance by the allotment and issue of a total of 5,406,990,000 Consideration Shares.

**The Company wishes to emphasise that the Possible Acquisitions are subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are still subject to the negotiations of the parties and may deviate from the Framework Agreement. Shareholders and potential investors of the Company should note that the Possible Acquisitions may or may not materialise and the final structure and terms of the Possible Acquisitions, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from those set out in the Framework Agreement. The Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules and the Takeovers Code where appropriate. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.**

Subject to the entering into of the Formal Agreement and if the Possible Acquisitions proceed to completion, approximately 55.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares will be issued.

The Company shall publish a further announcement following the entering into of the Formal Agreement.

#### **Suspension and resumption of trading**

At the request of the Company, trading in the securities of the Company was suspended with effect from 9:00 a.m. on 4th April 2011 pending the release of this announcement pursuant to the Takeovers Code. The Company has made an application to the Stock Exchange for a resumption of trading in the securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 12th April 2011.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Rule 3.7 of the Takeovers Code.

#### **THE FRAMEWORK AGREEMENT**

**Date:** 3rd April 2011

#### **Parties:**

1. the Company, as purchaser; and
2. GXNF and SCT, as vendors

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, GXNF and SCT and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

### **Possible interests to be acquired**

1. Sale Shares 1: the entire issued share capital of the First Target Company held by the Guangxi Parties; and
2. Sale Shares 2: the entire issued share capital of the Second Target Company held by GXNF.

### **Major terms of the Framework Agreement**

Pursuant to the Framework Agreement, the parties agreed to use reasonable endeavours to complete their respective further due diligence in respect of the transactions contemplated under the Possible Acquisitions on an exclusive basis within one year of the date of the Framework Agreement.

Subject to such due diligence, the parties may or may not enter into the Formal Agreement. If the Formal Agreement is entered into within one year of the date of the Framework Agreement, it is expected to contain certain principal terms set out in the Framework Agreement, including (1) the purchase by the Company from the Guangxi Parties of the Sale Shares 1 for a total consideration to be satisfied as to HK\$161,750,000 in cash and as to the remaining balance by the allotment and issue of 6,736,580,000 Consideration Shares; and (2) the purchase by the Company from GXNF of the Sale Shares 2, for a total consideration to be satisfied as to HK\$38,250,000 in cash and the remaining balance by the allotment and issue of a total of 5,406,990,000 Consideration Shares.

**The Company wishes to emphasise that the Possible Acquisitions are subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are still subject to the negotiations of the parties and may deviate from the Framework Agreement. Shareholders and potential investors of the Company should note that the Possible Acquisitions may or may not materialise and the final structure and terms of the Possible Acquisitions, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from those set out in the Framework Agreement. The Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules and the Takeovers Code where appropriate. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.**

As at the date of the Framework Agreement, the First Target Company indirectly owns 74% interest in a manganese mine (the “**First Mine**”) in Lomoteng No. 669, Northern Cape of South Africa and 100% interest in Lidino Trading 514 (Proprietary) Limited (the “**Trading Company**”), and the Second Target Company owns the entire interest in two iron mines in the Kohkeo and Phnom Thmar regions in Cambodia (the “**Second Mines**”).

The parties expected that the cash payable to the Guangxi Parties (or their nominees) as part consideration for the settlement of the First Possible Acquisition will be payable by the Company in two instalments, as to HK\$80,875,000 payable upon completion of the Possible Acquisitions, and as to the remaining balance of HK\$80,875,000 together with interests charged thereon at 5% per annum shall be payable to the Guangxi Parties within one year from the date of completion of the Possible Acquisitions.

The parties also expected that the cash payable to GXNF (or its nominee) as part consideration for the settlement of the Second Possible Acquisition will be payable by the Company in two instalments, as to HK\$19,125,000 payable upon completion of the Possible Acquisitions, and as to the remaining balance of HK\$19,125,000 together with interests charged thereon at 5% per annum shall be payable to GXNF within one year from the date of completion of the Possible Acquisitions.

The Guangxi Parties had preliminarily provided an indicative aggregate valuation of the First Target Company and the Second Target Company to the Company. Should the actual aggregate valuation of the First Target Company and the Second Target Company turn out to be below such indicative aggregate valuation, the amount of the consideration payable by the Company in respect of the Possible Acquisitions shall be subject to further negotiation between the Company and the Guangxi Parties.

Subject to the Formal Agreement, the parties to the Framework Agreement agreed that, upon completion of the Possible Acquisitions: (i) GXNF shall utilise the Company as its sole listing platform in Hong Kong to undertake business activities in the mining and mineral resources sector and it is proposed that the English name of the Company will be changed to “Guangxi Non-Ferrous Metals International Holdings Limited” and the Chinese name of the Company will be changed to “廣西有色國際控股有限公司”; (ii) the Company will have the right of first refusal to acquire, on similar terms to any comparable offer, both the overseas and PRC mining and mineral resources businesses owned, controlled, managed or operated by GXNF; (iii) the Guangxi Parties will provide their own technical staff, business network and other relevant resources to assist the Company to invest, acquire, develop and operate such projects; (iv) the chairman of the Board and the majority of the Board members shall be nominated by GXNF; (v) the Guangxi Parties shall recommend outstanding personnel to the management team of the Company to facilitate the development of the business operations of the Company.

**The Formal Agreement has yet to be entered into. The Framework Agreement does not address all of the terms of the Possible Acquisitions, which will be addressed in the Formal Agreement.**

Subject to the Formal Agreement, GXNF shall, following completion of the Possible Acquisitions, avoid engaging in businesses outside of the PRC which may compete with the Company’s mining and mineral resources business activities.

The Guangxi Parties have, as a binding obligation, undertaken that during the period of 12 months from the date of the Framework Agreement, the Guangxi Parties, the First Target Company, the Second Target Company, the Trading Company and their respective directors, consultants, agents or employees, will not directly or indirectly initiate or engage in any discussions or enter into any agreements with any other party other than the Company with respect to the reorganization or acquisition, whether in whole or in part, of the First Target Company, the Second Target Company, the First Mine, the Second Mines or their major assets or businesses. For the avoidance of doubt, the existing or any possible intra-group rearrangement by the Guangxi Parties respectively in relation to the shareholding structure of the First Mine or the Second Mines shall be allowed.

### **Proposed Conditions**

Completion of the Possible Acquisitions shall be conditional upon, among other things, the fulfilment of the following conditions (the “**Conditions**”) on or before the Long Stop Date:

1. the transactions contemplated under the Possible Acquisitions complying with all relevant laws and regulations;
2. the approval of the transactions contemplated under the Possible Acquisitions (including the terms of the Possible Acquisitions and the Whitewash Waiver and the Consideration Shares) being obtained from the board of directors and shareholders (and in the case of the Company, including the approval by the Independent Shareholders at a special general meeting of the Company of the Whitewash Waiver, and the approval by the Shareholders of the proposal for grant of the specific mandate to allot and issue the Consideration Shares) of each party to the Framework Agreement and from the relevant government and regulatory authorities (including the granting of the Whitewash Waiver by the Executive);
3. the approval in principle of the Listing Committee of the Stock Exchange of the new listing application by the Company having been obtained;
4. the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Consideration Shares;
5. the Company having obtained a competent person’s report (in compliance with the requirements under Chapter 18 of the Listing Rules) on each of the First Target Company and the Second Target Company as owned by the Guangxi Parties and GXNF respectively (in both form and substance satisfactory to the Company) issued by a qualified independent technical adviser (if necessary); and

6. the Company having obtained a valuation report (in compliance with the requirements under Chapter 18 of the Listing Rules) on each of the First Target Company and the Second Target Company as owned by the Guangxi Parties and GXNF respectively (in both form and substance satisfactory to the Company) issued by a qualified independent valuer in accordance with the Listing Rules (if necessary).

The above conditions are required to be fulfilled on or before the Long Stop Date. If the above conditions have not been satisfied on or before such date, any party to the Framework Agreement shall be entitled to treat the Framework Agreement as terminated, provided that the rights and liabilities of the contracting parties to the Framework Agreement which have accrued prior to termination shall subsist. None of the above conditions have been satisfied as at the date of this announcement.

Completion of the Possible Acquisitions is also subject to the entering into of the Formal Agreement within one year from the date of the Framework Agreement.

## **INFORMATION ON THE PROPOSED CONSIDERATION SHARES**

### **(1) The Proposed Consideration Shares**

Subject to the entering into and completion of the Formal Agreement, the Consideration Shares will be issued as fully paid and will rank pari passu in all respects with the Shares in issue at the date of completion of sale and purchase of the entire issued share capital of the First Target Company and the Second Target Company. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The total market value of the Consideration Shares is approximately HK\$4,614,556,600 by reference to the closing price per Share quoted on the Stock Exchange of HK\$0.38 per Share as at 1st April 2011, being the last trading day immediately prior to the suspension of trading in the Shares.

**(2) Possible effect of the issue of the Consideration Shares on the shareholding structure of the Company**

Subject to the entering into and completion of the Formal Agreement, details of the shareholding structure of the Company under different scenarios before and after completion of the transactions contemplated in the Framework Agreement are set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the transactions contemplated in the Framework Agreement	
	Number of Ordinary Shares held	Approximate percentage of total issued Shares	Number of Ordinary Shares held	Approximate percentage of total issued Shares
Wise Sun Holdings Limited <i>(Note 1)</i>	2,610,395,180	26.55%	2,610,395,180	11.88%
GXNF	–	–	8,842,645,800	40.24%
SCT	–	–	3,300,924,200	15.02%
<i>Sub-total</i>	<u>2,610,395,180</u>	<u>26.55%</u>	<u>14,753,965,180</u>	<u>67.14%</u>
Public Shareholders <i>(Note 4)</i>				
– Mass Channel Investment Limited <i>(Note 2)</i>	1,750,000,000	17.80%	1,750,000,000	7.96%
– Fortune Source International Limited <i>(Note 3)</i>	1,125,000,000	11.44%	1,125,000,000	5.12%
– Others	4,347,290,588	44.21%	4,347,290,588	19.78%
<i>Sub-total</i>	<u>7,222,290,588</u>	<u>73.45%</u>	<u>7,222,290,588</u>	<u>32.86%</u>
<b>Total</b>	<b><u>9,832,685,768</u></b>	<b><u>100.00%</u></b>	<b><u>21,976,255,768</u></b>	<b><u>100.00%</u></b>

*Notes:*

- As at the date of this announcement, Wise Sun Holdings Limited is wholly-owned by Bright Ace Holdings Limited which in turn is wholly-owned by Mr. Zhou. Accordingly, Mr. Zhou and Bright Ace Holdings Limited are deemed to be interested in the 2,610,395,180 Shares held by Wise Sun Holdings Limited.
- Mass Channel Investment Limited is wholly-owned by Mr. Xu Kai, an Independent Third Party.

3. Fortune Source International Limited is wholly-owned by Mr. Zhang Xiaoqun, an Independent Third Party.
4. Mass Channel Investment Limited and Fortune Source International Limited are interested in 1,750,000,000 Shares and 1,125,000,000 Shares respectively as at the date of this announcement and will be interested in the same number of Shares following the completion of the transactions contemplated in the Framework Agreement.

## **INFORMATION ABOUT GXNF AND SCT**

Based on information provided by the sole shareholder of GXNF, being an Independent Third Party, GXNF is a state-owned enterprise established in 2008 in the Guangxi Zhuang Autonomous Region of the PRC. It is principally engaged in the operation of state-owned assets and exploitation, exploration, selection, refinery, research and development of mineral resources. It owns the largest indium reserve and second largest tin reserves in the PRC. It ranked third in terms of tin production, indium production and antimony production respectively in the PRC. It is one of the top 30 non-ferrous metal enterprises in the PRC and one of the top 500 manufacturing enterprises in the PRC. GXNF intends to utilize the Company as its sole listing platform in Hong Kong to undertake the development and operation of overseas and PRC projects in the mining and mineral resources sector.

Based on information provided by the shareholders of SCT, being two individuals who are Independent Third Parties, SCT was established in the Guangxi Zhuang Autonomous Region of the PRC and its business scope includes minerals (except those specially regulated by the PRC), metal alloy, non-ferrous metals, building materials, metal materials, knit goods and textiles, chemical products (except dangerous chemical products), hardware and electronic products, imports and exports (except those specially regulated by the PRC). SCT also provides the service of investment management and consultation.

Pursuant to Rules 14.58(6) and (7) of the Listing Rules, the Company will disclose further financial information relating to the Target Group in its further announcement upon the entering into of the Formal Agreement.

## **LISTING RULES IMPLICATIONS**

### **Possible very substantial acquisition**

Subject to the entering into of the Formal Agreement, the transactions as currently contemplated under the Framework Agreement together may constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules, on the basis that one or more of the applicable percentage ratios for the Possible Acquisitions under the Listing Rules may be more than 100%. The transactions contemplated in the Framework Agreement, if materialised, may therefore be subject to the approval of the Shareholders (by way of poll) under the Listing Rules.



### **Possible reverse takeover and new listing application**

In addition, subject to the entering into of the Formal Agreement, the transactions as currently contemplated in the Framework Agreement may constitute a reverse takeover for the Company under Rule 14.06(6)(b) of the Listing Rules, on the basis that such transactions may constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and may at the same time involve an acquisition of assets from the Guangxi Parties within 24 months of the Guangxi Parties and parties acting in concert with any of them gaining control (as defined under the Takeovers Code) of the Company. Accordingly, under Rule 14.54 of the Listing Rules, the Company may be treated as if it were a new listing applicant. Such transactions may therefore be also subject to the approval by the Listing Committee of the Stock Exchange of a new listing application to be made by the Company. Such new listing application may be required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8, 9 and 18 of the Listing Rules. None of the relevant materials regarding the new listing application have, as at the date of this announcement, been submitted to the Stock Exchange, and the Company will, subject to the entering into of the Formal Agreement, initiate the new listing application process as soon as practicable.

**The Listing Committee of the Stock Exchange may or may not grant its approval of the new listing application. If such approval is not granted, the Framework Agreement will lapse and the sale and purchase of the entire issued share capital of the First Target Company and the Second Target Company will not proceed.**

### **PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES**

Under the Framework Agreement and subject to the entering into of the Formal Agreement, the Company will upon completion of the Possible Acquisitions issue a total of 6,736,580,000 Consideration Shares to the Guangxi Parties (or their respective nominees) as partial settlement of the consideration for purchasing the entire issued share capital of the First Target Company. The Company will upon completion of the Possible Acquisitions also issue a total of 5,406,990,000 Consideration Shares to GXNF (or its nominee) as partial settlement of the consideration for purchasing the entire issued share capital of the Second Target Company. The Company proposes to seek the grant of a specific mandate from the Shareholders to allot and issue new Shares to satisfy the allotment and issue of the Consideration Shares.

### **TAKEOVERS CODE IMPLICATIONS AND POSSIBLE APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, so far as the Company is aware, the Guangxi Parties and parties acting in concert with any of them do not own any of the existing issued share capital of the Company. Immediately following the allotment and issue of Consideration Shares to the Guangxi Parties (or their respective nominees), the shareholding of the Guangxi Parties and parties acting in concert with any of them may increase to approximately 55.26% of the enlarged issued share capital of the Company. If the Formal Agreement is entered into and the Possible Acquisitions materialise, under

Rule 26.1 of the Takeovers Code, the Guangxi Parties and parties acting in concert with any of them may be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Guangxi Parties and parties acting in concert with any of them, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive. The Guangxi Parties have confirmed to the Directors that they had not dealt in the securities of the Company within 6 months prior to the date of publication of this announcement.

A further announcement will be made by the Company to comply with the Takeovers Code upon the entering into of the Formal Agreement.

### **POSSIBLE CHANGE OF NAME**

The parties to the Framework Agreement expected that, conditional upon completion of the sale and purchase of the entire issued share capital of the First Target Company and the Second Target Company, the English name of the Company be changed to “Guangxi Non-Ferrous Metals International Holdings Limited” and the Chinese name of the Company be changed to “廣西有色國際控股有限公司” and that the memorandum and articles of association of the Company be amended to reflect the proposed change of name of the Company.

### **GENERAL**

A further announcement will be made upon the execution of the Formal Agreement and the Company will comply with the Listing Rules and Takeovers Code in respect of the Possible Acquisitions and the possible Whitewash Waiver.

**The sale and purchase of the entire issued share capital of the First Target Company and the Second Target Company may or may not materialise. In particular, the Formal Agreement may or may not be entered into. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.**

In accordance with Rule 3.7 of the Takeovers Code, the Company will issue update announcements on a monthly basis until announcement of the entering into of the Formal Agreement is made or termination of the Framework Agreement.

### **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the securities of the Company was suspended with effect from 9:00 a.m. on 4th April 2011 pending the release of this announcement. The Company has made an application to the Stock Exchange for a resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 12th April 2011.

## DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Cambodia”	Kingdom of Cambodia
“Company”	Sun Innovation Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Consideration Shares”	the new Shares to be allotted and issued pursuant to the Formal Agreement to the Guangxi Parties (or their respective nominee) or, to GXNF only (or its nominee), as the case may be, as partial settlement of the total consideration payable in respect of the Possible Acquisitions
“Directors”	directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission in Hong Kong from time to time and any delegate of such executive director
“First Possible Acquisition”	the acquisition of Sale Shares 1 by the Company from the Guangxi Parties
“First Target Company”	Super Mayer Investment Limited, a company incorporated under the laws of the Republic of Seychelles and the entire issued capital of which is held by the Guangxi Parties as at the date of this announcement
“Formal Agreement”	a legally binding sale and purchase agreement between the Company and the Guangxi Parties in relation to the Possible Acquisitions which may be subsequently entered into

“Framework Agreement”	the framework agreement dated 3rd April 2011 made among the Company as purchaser, the Guangxi Parties as vendors in respect of the Possible Acquisitions
“Group”	the Company and its subsidiaries
“Guangxi Parties”	GXNF and SCT (or their respective entities through which interests in each of the First Target Company and the Second Target Company are being held)
“GXNF”	廣西有色金屬集團有限公司(Guangxi Non-ferrous Metals Group Company Limited*), a company established under the laws of the PRC and wholly-owned by an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders, other than Mr. Zhou and parties acting in concert with him, who are not connected, interested nor involved in the transactions contemplated in the Framework Agreement and the Whitewash Waiver, and not required to abstain from voting at the special general meeting convened to approve such transactions
“Independent Third Party(ies)”	party(ies) who are independent of and not connected with the Directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or any of their respective associates as defined under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	the date falling on the expiry of twelve months from the date of the Framework Agreement or at such later date as may be mutually agreed in writing between the parties to the Framework Agreement

“Mr. Zhou”	Mr. Zhou Jian, who owns the entire issued share capital of Bright Ace Holdings Limited, which in turn owns the entire issued share capital of Wise Sun Holdings Limited, which holds 26.55% of the issued share capital of the Company as at the date of this Announcement
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Possible Acquisitions”	The First Possible Acquisition and the Second Possible Acquisition pursuant to the Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	Sale Shares 1 and Sale Shares 2
“Sale Shares 1”	the entire issued share capital of the First Target Company held by the Guangxi Parties
“Sale Shares 2”	the entire issued share capital of the Second Target Company held by GXFN
“SCT”	廣西新思迪投資貿易有限公司(Guangxi Sincerity Investments & Trading Company Limited*), a company established under the laws of the PRC and held by two individuals who are Independent Third Parties
“Second Possible Acquisition”	the acquisition of Sale Shares 2 by the Company from GXNF
“Second Target Company”	廣西有色金屬華東發展有限公司(Guangxi Non-Ferrous Metals Sino-Cambodia Development Company Limited*), a company incorporated under the laws of the Cambodia and the entire issued capital of which is held by GXNF as at the date of this announcement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	the ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Target Group”	companies to be acquired pursuant to the Framework Agreement, which include the First Target Company and the Second Target Company
“Whitewash Waiver”	a waiver in respect of the obligation of the Guangxi Parties and parties acting in concert with any of them to make a mandatory offer to the Independent Shareholders in respect of the issued Shares of the Company not already owned or agreed to be acquired by the Guangxi Parties and parties acting in concert with any of them as a result of the issue of the Consideration Shares in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code
%	per cent

*The names of PRC and Cambodia established companies or entities which have been included in this announcement in both Chinese and English are for ease of reference only. In case of inconsistency, the Chinese version of such names shall prevail.*

*For the purpose of this announcement, unless otherwise indicated, the exchange rates of RMB0.84184 = HK\$1.00 have been used for currency translation, where applicable. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amounts in HK\$ and RMB have been, could have been or may be converted at such or any other rates or at all.*

\* *for identification purpose only*

By order of the Board  
**SUN INNOVATION HOLDINGS LIMITED**  
**Zhou Jian**  
*Chairman*

Hong Kong, 11th April, 2011

*As at the date of this announcement, Mr. Zhou Jian and Mr. Fan Lei are the executive directors and Ms. Lau Cheong, Mr. Duan Xiongfei and Mr. Tam Tak Kei Raymond are the independent non-executive directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*