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SUN INNOVATION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**").

Reference is made to the announcements (the "**Announcements**") of Sun Innovation Holdings Limited (the "**Company**") dated 9 January 2012, 9 December 2011, 10 November 2011, 10 October 2011, 9 September 2011, 11 August 2011, 11 July 2011, 10 June 2011, 11 May 2011 and 11 April 2011 in relation to the Framework Agreement entered into between the Company as purchaser and GXNF and SCT as vendors in respect of the Possible Acquisitions. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to update the Shareholders that (1) the due diligence review being carried out by the Company and its advisers on the Target Group is ongoing but limited progress has been made; (2) the reports on the reserves and/or resources of the Target Group's mines in South Africa and Cambodia are still under preparation by the technical consultant engaged by the Company; (3) the Company understands from GXNF and SCT that they are still in the process of completing certain internal corporate reorganisation of the Target Group which will have to be completed before they are in a position to proceed with the Possible Acquisitions; and (4) the Company has not yet reached any agreement with GXNF and SCT on whether to extend the term of the exclusivity period in the Framework Agreement which is due to expire on 2 April 2012 and if so, whether any of the indicative terms of the Possible Acquisitions contained in the Framework Agreement would need to be revised or supplemented. As at the date of this Announcement, no agreement has been reached by the parties with respect to the Possible Acquisitions, nor was there any firm intention to make an offer under the Takeovers Code. Save as aforesaid, the Company is not aware of any material new development in relation to the Possible Acquisitions which should be brought to the attention of the Shareholders.

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. Shareholders and potential investors of the Company should note that, the Possible Acquisitions may or may not proceed and the final structure and terms and conditions of the Possible Acquisitions have yet to be finalised and may deviate from those set out in the Framework Agreement.

The Company will comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules and/or the Takeovers Code where appropriate. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.

Further announcement(s) will be made in respect of further progress in this regard as and when required under the Takeovers Code and/or the Listing Rules.

By Order of the Board
SUN INNOVATION HOLDINGS LIMITED
Zhou Jian
Chairman

Hong Kong, 8 February 2012

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

The directors of the Company 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.