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太陽國際集團有限公司
SUN INTERNATIONAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8029)

ANNOUNCEMENT
FURTHER INFORMATION IN RELATION TO THE FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2018

Reference is made to the announcement (the “**Results Announcement**”) of Sun International Group Limited (the “**Company**”) dated 22 June 2018 relating to, among others, the audited consolidated financial results of the Company and its subsidiaries for the year ended 31 March 2018.

BASIS FOR ADVERSE OPINION

The board of directors of the Company (the “**Board**”) hereby provides the following additional information in relation to the basis of qualification for the auditor’s opinion. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as in the Results Announcement.

i) Loan receivable

Included in the Group’s loan receivable including interest receivable of HK\$73 million at 31 March 2018 in which loans were drawdown more than 3 years and were overdue without repayment of principal and renewal of written loan contracts. As explained by management that they were confident to have the repayments of loans. The auditors were unable to obtain sufficient and appropriate audit evidence on the recoverability of the receivable. Therefore, the auditors were unable to determine whether any adjustments to the receivable at 31 March 2018 were necessary, which have a significant impact on the financial position of the Group at 31 March 2018 and on the financial performance and the elements making up the consolidated statements of cash flows of the Group for the year ended 31 March 2018.

ii) Advances to customers in margin financing

Included in the Group's advances to customers in margin financing of approximately HK\$16 million excluding in liquid assets was not impaired at 31 March 2018. In addition, an amount of approximately HK\$25 million was granted to a single customer which was made up to 31% of the total amount of advances to customers in margin financing and was unable to settle on due. The auditors were unable to obtain sufficient and appropriate audit evidence on the recoverability of the advances to customers in margin financing. Therefore, the auditors were unable to determine whether any adjustments to the advance to customers in margin financing necessary, which have a significant impact on the financial position of the Group at 31 March 2018 and on the financial performance and the elements making up the consolidated statements of cash flows of the Group for the year ended 31 March 2018.

iii) Material uncertainty related to going concern

The Group had net liabilities and capital deficiency of HK\$72.1 million (2017: HK\$5.4 million) and the Group has incurred losses since 2013 and reported a loss of HK\$63 million (2017:HK\$86 million) for the year ended 31 March 2018. Total losses for the past six years were approximately HK\$1,766 million. These conditions, along with other matters as set forth in note 3 to the consolidated financial statements, indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and the auditors were unable to assess the effects of such material uncertainty.

The validity of the going concern assumption is dependent on the successful and favourable outcomes of the measures being taken by the management of the Group and the financial support from significant shareholder as described in note 3 to the consolidated financial statements. The management of the Group is of the opinion that the Group would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis, and do not include any adjustments relating to the recognition of provisions or the realisation and reclassification of non-current assets and non-current liabilities that may be necessary if the Group is unable to continue as a going concern.

The main concern was the significant shareholder and the related companies can change their intention to continue provide financial support to the Group. The auditors were unable to obtain sufficient appropriate audit evidence to ensure the intention of the significant shareholder and related company will not change their intention to provide continuous financial support regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position at 31 March 2018. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 25 June 2018 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 27, June 2018.

By Order of the Board
Sun International Group Limited
Cheng Ting Kong
Chairman

Hong Kong, 26 June 2018

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching and Mr. Lui Man Wah and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun.

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 issuer. 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 document misleading.

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 posting and on the designed website of this Company at <http://www.sun8029.com/>.