



**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)**

## **FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached other than companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*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 Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 pages of “Latest Company Announcements” on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.*

## RESULTS

The board of Directors (the “Board”) of Sun International Group Limited (formerly known as Galileo Holdings Limited) (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively refer to as the “Group”) for the year ended 31 March 2009 together with the comparative figures for the previous year as follows:

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK\$	2008 HK\$
<b>Continuing operations:</b>			
Turnover	3	181,843,565	40,422,046
Direct costs		<u>(29,494,276)</u>	<u>(6,867,491)</u>
Gross profit		152,349,289	33,554,555
Other operating income	5	643,077	344,008
Administrative expenses		(98,525,648)	(26,989,201)
Loss on disposal of subsidiaries		(3,021,019)	–
Finance costs	6	<u>(7,564)</u>	<u>(127,035)</u>
Profit before tax		51,438,135	6,782,327
Income tax expense	7	<u>(16,482,507)</u>	<u>(4,346,906)</u>
Profit for the year from continuing operations		34,955,628	2,435,421
<b>Discontinued operations</b>			
(Loss)/profit for the year from discontinued operations	8	<u>(174,397)</u>	<u>155,068</u>
<b>Profit for the year</b>	9	<u><b>34,781,231</b></u>	<u><b>2,590,489</b></u>
<b>Attributable to:</b>			
Equity holders of the parent		30,086,197	2,386,359
Minority interests		<u>4,695,034</u>	<u>204,130</u>
<b>Profit for the year</b>		<u><b>34,781,231</b></u>	<u><b>2,590,489</b></u>
<b>Earnings per share (HK cents per share)</b>			
10			
From continuing and discontinued operations			
Basic		<u><b>3.63</b></u>	<u>0.46</u>
Diluted		<u><b>3.47</b></u>	<u>0.44</u>
From continuing operations			
Basic		<u><b>3.65</b></u>	<u>0.43</u>
Diluted		<u><b>3.49</b></u>	<u>0.42</u>

# CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK\$	2008 HK\$
<b>Non-current assets</b>			
Investment properties		–	7,560,000
Goodwill		505,765,869	426,465,393
Property, plant and equipment		113,276,695	2,681,393
		<u>619,042,564</u>	<u>436,706,786</u>
<b>Current assets</b>			
Inventories		1,922,347	60,650
Trade receivables	12	96,010,872	23,266,603
Prepayments, deposits and other receivables	13	13,375,072	45,677,040
Bank balances and cash		10,142,431	104,663,808
		<u>121,450,722</u>	<u>173,668,101</u>
<b>Current liabilities</b>			
Accruals and other payables		6,996,885	3,836,991
Deposits received		131,700	162,000
Amount due to a director		381,334	450,965
Obligations under finance leases		8,376	7,809
Bank borrowings		–	303,304
Tax payables		11,951,936	5,195,887
		<u>19,470,231</u>	<u>9,956,956</u>
<b>Net current assets</b>		<u>101,980,491</u>	<u>163,711,145</u>
<b>Total assets less current liabilities</b>		<u>721,023,055</u>	<u>600,417,931</u>
<b>Non-current liabilities</b>			
Bank borrowings		–	3,480,206
Obligations under finance leases		13,426	16,269
Deferred tax liabilities		517,564	236,250
		<u>530,990</u>	<u>3,732,725</u>
<b>Net assets</b>		<u>720,492,065</u>	<u>596,685,206</u>
<b>Capital and reserves</b>			
Share capital		33,284,400	31,319,000
Reserves		679,807,542	562,661,118
<b>Equity attributable to equity holders of the Company</b>		<u>713,091,942</u>	<u>593,980,118</u>
<b>Minority interests</b>		<u>7,400,123</u>	<u>2,705,088</u>
<b>Total equity</b>		<u>720,492,065</u>	<u>596,685,206</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2009

	Attributable to the equity holders of the Company									
	Share capital HK\$	Share premium HK\$	Merger deficit HK\$ (note a)	Share options reserve HK\$	Properties revaluation reserve HK\$ (note b)	Capital redemption reserve HK\$	Retained profits/accumulated losses HK\$	Sub-total HK\$	Minority interests HK\$	Total equity HK\$
At 1 April 2007	19,300,000	17,090,836	(119,998)	3,272,393	-	-	(34,198,593)	5,344,638	-	5,344,638
Surplus on revaluation of properties	-	-	-	-	1,320,000	-	-	1,320,000	-	1,320,000
Deferred tax	-	-	-	-	(231,000)	-	-	(231,000)	-	(231,000)
Net income recognised directly in equity	-	-	-	-	1,089,000	-	-	1,089,000	-	1,089,000
Profit for the year	-	-	-	-	-	-	2,386,359	2,386,359	204,130	2,590,489
Total recognised income for the year	-	-	-	-	1,089,000	-	2,386,359	3,475,359	204,130	3,679,489
Issue of shares for acquisition of subsidiaries	5,600,000	383,600,000	-	-	-	-	-	389,200,000	-	389,200,000
Arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	2,500,958	2,500,958
Placement of new shares	5,494,000	174,448,500	-	-	-	-	-	179,942,500	-	179,942,500
Transaction costs attributable to placement of new shares	-	(4,675,350)	-	-	-	-	-	(4,675,350)	-	(4,675,350)
Recognition of equity – settled share-based payments	-	-	-	5,757,471	-	-	-	5,757,471	-	5,757,471
Forfeiture of lapsed shares under share option schemes	-	-	-	(1,731,036)	-	-	1,731,036	-	-	-
Exercise of share options	925,000	16,702,697	-	(2,692,197)	-	-	-	14,935,500	-	14,935,500
At 31 March 2008 and 1 April 2008	31,319,000	587,166,683	(119,998)	4,606,631	1,089,000	-	(30,081,198)	593,980,118	2,705,088	596,685,206
Profit for the year	-	-	-	-	-	-	30,086,197	30,086,197	4,695,034	34,781,231
Total recognised income for the year	-	-	-	-	-	-	30,086,197	30,086,197	4,695,034	34,781,231
Issue of shares for acquisition of subsidiaries	2,100,000	75,600,000	-	-	-	-	-	77,700,000	-	77,700,000
Repurchase of shares	(254,600)	(6,496,650)	-	-	-	254,600	(254,600)	(6,751,250)	-	(6,751,250)
Disposal of subsidiaries	-	-	-	-	(1,089,000)	-	1,089,000	-	-	-
Recognition of equity – settled share-based payments	-	-	-	15,946,877	-	-	-	15,946,877	-	15,946,877
Forfeiture of lapsed shares under share option schemes	-	-	-	(421,990)	-	-	421,990	-	-	-
Exercise of share options	120,000	2,228,760	-	(218,759)	-	-	-	2,130,001	-	2,130,001
At 31 March 2009	33,284,400	658,498,793	(119,998)	19,912,759	-	254,600	1,261,389	713,091,943	7,400,122	720,492,065

## Notes:

- The merger deficit of the Group represents the difference between the nominal value of the shares of acquired subsidiaries over the nominal value of the share capital of the Company issued in exchange therefore.
- The properties revaluation reserve was arisen upon the transfer of properties from property, plant and equipment to investment properties and were transferred to accumulated losses when the relevant properties had been disposed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2009

## 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention except for certain properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 January 2008.

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of new amendments and interpretations had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

Except as described above, the Group has not early applied the following new standards, amendments or interpretations (the “new HKFRSs”) that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs <sup>1</sup>
HKFRSs (Amendments)	Improvement to HKFRSs 2009 <sup>2</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>3</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>3</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>4</sup>
HKAS 32 and HKAS1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>3</sup>
HKFRS 1 and 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>3</sup>
HKAS 39 (Amendment)	Eligible Hedged Items <sup>4</sup>
HKFRS 2 (Amendment)	Share-based-Payment: Vesting Conditions and Cancellations <sup>3</sup>
HKFRS 3 (Revised)	Business Combinations <sup>4</sup>
HKFRS 8	Operating Segments <sup>3</sup>
HK(IFRIC) – Int 13	Customer Loyalty Programmes <sup>5</sup>
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate <sup>3</sup>
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation <sup>6</sup>
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners <sup>4</sup>
HK(IFRIC) – Int 18	Transfers of Assets from Customers <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010 as appropriate
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2009
- <sup>4</sup> Effective for annual periods beginning on or after 1 July 2009
- <sup>5</sup> Effective for annual periods beginning on or after 1 July 2008
- <sup>6</sup> Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

### 3. TURNOVER

Turnover represents the aggregate of amounts received and receivable from (i) services provided to customers; (ii) goods sold to customers and (iii) rental income and is analysed as follows:

	<b>2009</b> <i>HK\$</i>	2008 <i>HK\$</i>
<b>Continuing operations</b>		
Business consultancy service income	<b>117,500</b>	834,500
Hotel service income	<b>50,200,404</b>	–
Computer software solution and service	<b>131,525,661</b>	39,587,546
	<b>181,843,565</b>	40,422,046
<b>Discontinued operations</b>		
Funeral service income	<b>523,817</b>	3,733,742
Rental income	<b>15,000</b>	180,000
	<b>538,817</b>	3,913,742
	<b>182,382,382</b>	44,335,788

#### 4. SEGMENT INFORMATION

Segment information is presented by way in two segments formats: (i) on a primarily segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

##### Business segments

The Group's operating business are structured and managed separately, according to the nature of their operations and service provided. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risk and returns that are different from those of the other segments.

For management purposes, the Group is currently organised into four business segments as follows:

Business consultancy	–	providing services to assist clients on various business or management issues
Computer software solution and services	–	provision of computer hardware and software services
Funeral services	–	providing services to assist clients on various funeral customer and activities
Hotel services	–	provision of hotel operation and management services

During the year ended 31 March 2009, the Group has disposed of its funeral services business and the disposal was completed in 26 November 2008.

##### Income Statement

For the year ended 31 March 2009

	Continuing operations					Discontinued operations			Consolidated HK\$
	Business consultancy HK\$	Computer software solution and services HK\$	Hotel services HK\$	Others HK\$	Total HK\$	Funeral services HK\$	Others HK\$	Total HK\$	
<b>Turnover</b>									
External sales	<u>117,500</u>	<u>130,816,841</u>	<u>50,200,404</u>	<u>708,820</u>	<u>181,843,565</u>	<u>523,817</u>	<u>15,000</u>	<u>538,817</u>	<u>182,382,382</u>
<b>Result</b>									
Segment result	<u>(7,549,339)</u>	<u>95,312,759</u>	<u>(15,901,089)</u>	<u>(2,579,844)</u>	69,282,487	<u>(18,206)</u>	<u>(97,877)</u>	(116,083)	69,166,404
Interest income					-			-	-
Unallocated corporate income					2,993,378			-	2,993,378
Unallocated corporate expenses					(20,830,166)			-	(20,830,166)
Finance costs					<u>(7,564)</u>			<u>(57,474)</u>	<u>(65,038)</u>
Profit before tax					51,438,135			(173,557)	51,264,578
Income tax expense					<u>(16,482,507)</u>			<u>(840)</u>	<u>(16,483,347)</u>
Profit for the year					<u>34,955,628</u>			<u>(174,397)</u>	<u>34,781,231</u>

**Consolidated balance sheet**

As at 31 March 2009

	Continuing operations				Discontinued operations			Consolidated
	Business consultancy	Computer software solution and services	Hotel services	Others	Total	Funeral services	Others	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Assets</b>								
Segment assets	11,417,050	535,634,421	190,847,038	340,611	738,239,120	-	-	- 738,239,120
Unallocated corporate assets								<u>1,736,602</u>
Consolidated total assets								<u><u>739,975,722</u></u>
<b>Liabilities</b>								
Segment liabilities	295,459	12,919,430	5,958,131	72,637	19,245,657	-	-	- 19,245,657
Unallocated corporate liabilities								<u>238,000</u>
Consolidated total liabilities								<u><u>19,483,657</u></u>
Other segment information								
Depreciation	337,504	829,991	2,428,916	25,678	3,622,089	75,629	105,663	181,292 3,803,381
Capital addition	1,799,553	2,762,104	44,281,239	136,859	48,979,755	-	1,523,417	1,523,417 50,503,172
Impairment loss recognised in respect of goodwill	-	253,564	-	-	253,564	-	-	- 253,564
Impairment loss recognised in respect of property, plant and equipment	-	-	18,431,038	-	18,431,038	-	-	- 18,431,038
Write-down of inventories	-	-	1,749,929	-	1,749,929	-	-	- 1,749,929

**Income Statement**

For the year ended 31 March 2008

	Continuing operations				Discontinued operations			Consolidated
	Business consultancy	Computer software solution and services	Hotel services	Others	Total	Funeral services	Others	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>Turnover</b>								
External sales	<u>834,500</u>	<u>39,347,247</u>	<u>-</u>	<u>240,299</u>	<u>40,422,046</u>	<u>3,733,742</u>	<u>180,000</u>	<u>3,913,742</u> 44,335,788
<b>Result</b>								
Segment result	<u>(3,115,320)</u>	<u>26,018,492</u>	<u>-</u>	<u>(2,942,303)</u>	19,960,869	<u>56,980</u>	<u>175,060</u>	232,040 20,192,909
Interest income					143,854			2,393 146,247
Unallocated corporate income					99,142			74,230 173,372
Unallocated corporate expenses					(13,294,503)			- (13,294,503)
Finance costs					(127,035)			(148,345) (275,380)
Profit before tax					6,782,327			160,318 6,942,645
Income tax expense					(4,346,906)			(5,250) (4,352,156)
Profit for the year					<u>2,435,421</u>			<u>155,068</u> 2,590,489



**Consolidated balance sheet**

As at 31 March 2008

	Continuing operations					Discontinued operations			Consolidated HK\$
	Business consultancy HK\$	Computer software solution and services HK\$	Hotel services HK\$	Others HK\$	Total HK\$	Funeral services HK\$	Others HK\$	Total HK\$	
<b>Assets</b>									
Segment assets	1,305,631	464,990,101	–	2,083,848	468,379,580	1,241,692	9,611,561	10,853,253	479,232,833
Unallocated corporate assets									<u>131,142,054</u>
Consolidated total assets									<u><u>610,374,887</u></u>
<b>Liabilities</b>									
Segment liabilities	416,227	7,098,264	–	97,765	7,612,256	200,436	467,509	667,945	8,280,201
Unallocated corporate liabilities									<u>5,409,480</u>
Consolidated total liabilities									<u><u>13,689,681</u></u>
Other segment information									
Fair value change of investment properties	–	–	–	–	–	–	30,000	30,000	30,000
Depreciation	110,493	40,489	–	12,086	163,068	129,654	107,084	236,738	399,806
Capital addition	589,172	1,200,156	–	5,190	1,794,518	–	5,190	5,190	1,799,708
Impairment loss recognised in respect of goodwill	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,332,814</u>	<u>2,332,814</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u><u>2,332,814</u></u>

**Geographical segments**

The Group's operations are principally located in Hong Kong and Philippines. The following table provides an analysis of the Group's turnover by geographical market:

	Revenue from external customers	
	2009 HK\$	2008 HK\$
Hong Kong	<b>132,181,978</b>	44,335,788
The Philippines	<b>50,200,404</b>	–
	<u><b>182,382,382</b></u>	<u>44,335,788</u>

Revenue from the Group's discontinued operations was derived from Hong Kong.

The following is an analysis of the carrying amount of segment assets and capital expenditures analysed by geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Hong Kong	547,392,082	610,374,887	6,221,933	1,799,708
The Philippines	190,847,038	—	44,281,239	—
	<u>738,239,120</u>	<u>610,374,887</u>	<u>50,503,172</u>	<u>1,799,708</u>

## 5. OTHER OPERATING INCOME

	2009 HK\$	2008 HK\$
Other operating income comprised of the followings:		
<b>Continuing operations</b>		
Interest income	442,250	143,854
Waiver of amount due to an ex-director	—	185,000
Sundry income	200,827	15,154
	<u>643,077</u>	<u>344,008</u>
<b>Discontinued operations</b>		
Interest income	8	2,393
Sundry income	—	74,229
	<u>8</u>	<u>76,622</u>
	<u>643,085</u>	<u>420,630</u>

## 6. FINANCE COSTS

	2009 HK\$	2008 HK\$
Interest on:		
<b>Continuing operations</b>		
Other borrowings wholly repayable within five year	–	125,000
Finance leases	7,564	2,030
Other finance cost	–	5
	<u>7,564</u>	<u>127,035</u>
<b>Discontinued operations</b>		
Bank borrowings not wholly repayable within five years	57,474	141,347
Finance leases	–	6,998
	<u>57,474</u>	<u>148,345</u>
	<u><b>65,038</b></u>	<u><b>275,380</b></u>

## 7. INCOME TAX EXPENSE

	Continuing operations		Discontinued operations		Consolidated	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
The charge comprises:						
Current tax:						
Hong Kong Profits Tax	16,437,402	4,346,906	–	–	16,437,402	4,346,906
Other than Hong Kong	45,105	–	–	–	45,105	–
	<u>16,482,507</u>	<u>4,346,906</u>	<u>–</u>	<u>–</u>	<u>16,482,507</u>	<u>4,346,906</u>
Under-provision in prior years:						
Hong Kong Profits Tax	–	–	840	–	840	–
Deferred tax:						
Current year	–	–	–	5,250	–	5,250
	<u><b>16,482,507</b></u>	<u><b>4,346,906</b></u>	<u><b>840</b></u>	<u><b>5,250</b></u>	<u><b>16,483,347</b></u>	<u><b>4,352,156</b></u>

Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

With effect from the year of assessment 2008/2009, the Hong Kong Profits Tax has been reduced from 17.5% to 16.5%. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective years when the asset is realised or the liability is settled.

## 8. DISCONTINUED OPERATIONS

On 27 October 2008, the Group entered into a sale and purchase agreement with Grand Pacific Management Inc. to dispose of the Group's funeral service business. The Group's management and shareholders approved the disposal of its entire equity interest in Cheung Shing Funeral Limited ("Cheung Shing") and Grand Sea Limited ("Grand Sea"), which are engaged in the funeral service business, for a consideration of HK\$3,140,779. The transaction was completed on 26 November 2008.

An analysis of the results of the discontinued operation related to Cheung Shing and Grand Sea was as follows:

	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
<b>(Loss)/profit from discontinued operations</b>		
Revenue	<b>538,825</b>	3,990,364
Direct costs	<u>(149,027)</u>	<u>(2,334,304)</u>
Gross Profit	<b>389,798</b>	1,656,060
Fair value changes of investment property	–	30,000
Expenses	<u>(563,355)</u>	<u>(1,525,742)</u>
(Loss)/profit before tax	<b>(173,557)</b>	160,318
Income tax expense	<u>(840)</u>	<u>(5,250)</u>
(Loss)/profit for the year from discontinued operations	<u><b>(174,397)</b></u>	<u>155,068</u>
<b>Cash flows from discontinued operations</b>		
Net cash flows from operating activities	<b>(355,199)</b>	(3,548,087)
Net cash flows from financing activities	<u>106,632</u>	<u>3,557,387</u>
Net cash flows	<u><b>(248,567)</b></u>	<u>9,300</u>

## 9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	2009	2008	2009	2008
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Staff costs:						
Directors' emoluments	7,594,182	5,699,353	-	-	7,594,182	5,699,353
Salaries and other benefits	29,707,936	5,558,572	204,015	505,562	29,911,951	6,064,134
Share-based payment expenses	1,583,075	712,509	-	-	1,583,075	712,509
Retirement benefit scheme contributions (excluding directors)	482,203	282,158	-	50,909	482,203	333,067
Total employee benefit expenses	39,367,396	12,252,592	204,015	556,471	39,571,411	12,809,063
Depreciation on property, plant and equipment						
- owned assets	3,614,280	173,358	181,292	141,655	3,795,572	315,013
- financial leases assets	7,809	84,793	-	-	7,809	84,793
Loss on disposal of property, plant and equipment	227,739	547,439	-	-	227,739	547,439
Cost of inventories recognised as an expense	8,030,946	3,545,742	140,625	1,068,947	8,171,571	4,614,689
Auditors' remuneration	788,630	330,000	-	-	788,630	330,000
Share-based payment expenses	11,139,588	5,757,471	-	-	11,139,588	5,757,471
Impairment of property, plant and equipment	18,431,038	-	18,431,038	-	18,431,038	-
Impairment of goodwill	253,564	2,332,814	-	-	253,564	2,332,814
and after crediting:						
Gross rental income from investment properties	-	-	15,000	180,000	15,000	180,000
Less: Direct operating expenses from investment properties that generate rental income during the year	-	-	(6,067)	(14,242)	(6,067)	(14,242)
Direct operating expenses from investment properties that did not generate rental income during the year	-	-	-	-	-	-
	-	-	8,933	165,758	8,933	165,758

## 10. EARNINGS PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	<u>30,086,197</u>	<u>2,386,359</u>
	2009	2008 (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	828,721,342	523,923,964
Effect of dilutive potential ordinary shares:		
Share options	<u>37,666,198</u>	<u>10,779,739</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>866,387,540</u>	<u>534,703,703</u>

The weighted average number of ordinary shares for the year ended 31 March 2009 and 31 March 2008 for the purpose of basis and diluted earnings per share has been adjusted and restated resulting from the share consolidation during the year ended 31 March 2009.

### From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to equity holders of the Company is based on the following data:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	30,086,197	2,386,359
Less: (Loss) profit for the year from discontinued operations	<u>(174,397)</u>	<u>155,068</u>
	<u>30,260,594</u>	<u>2,231,291</u>

The weighted average number of ordinary shares for the year ended 31 March 2009 and 31 March 2008 has been adjusted stated as above to reflect the share consolidation during the year.

### From discontinued operations

The computation of basic and diluted loss per share for the discontinued operation is HK\$0.02 per share (2008: basic and diluted earnings per share is HK\$0.03), based on the loss for the year from discontinued operation of HK\$174,397 (2008: profit for the year HK\$155,068) and on the weighted average number ordinary shares stated as above.

The computation of diluted earnings per share from continuing and discontinued operations for the year ended 31 March 2009 and 31 March 2008 is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

## 11. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2009 (2008: Nil).

## 12. TRADE RECEIVABLES

The following is an aged analysis of trade receivables at the balance sheet date:

	<b>2009</b> <i>HK\$</i>	2008 <i>HK\$</i>
Within 30 days	<b>9,734,757</b>	16,160,494
31-60 days	<b>10,266,584</b>	4,068,394
61-90 days	<b>8,589,474</b>	653,029
Over 90 days	<b>67,420,057</b>	2,384,686
	<b><u>96,010,872</u></b>	<b><u>23,266,603</u></b>

The directors of the Company consider that the fair value of the Group's trade receivables at the balance sheet date were approximate their carrying amounts.

## 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2009</b> <i>HK\$</i>	2008 <i>HK\$</i>
Deposits ( <i>Note</i> )	<b>10,241,649</b>	45,361,063
Prepayments	<b>2,275,398</b>	66,114
Other receivables	<b>858,025</b>	249,863
	<b><u>13,375,072</u></b>	<b><u>45,677,040</u></b>

The carrying amounts of prepayments, deposits and other receivables approximate to their fair value.

*Note:*

Deposits of HK\$8,216,712 were the loan and interest accrued due from Gold Track Mining Resources Limited ("Gold Track") to Galileo Capital Group (BVI) Limited ("Galileo BVI") (a wholly-owned subsidiary of the Company). Pursuant to the announcement dated 31 October 2008, Galileo BVI and Gold Track entered into a subscription agreement ("Subscription Agreement") and supplemental agreement ("Supplemental Agreement") on 8 October 2008 and 23 October 2008 respectively. Pursuant to the Supplemental Agreement and Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the 11,739 shares of Gold Track to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US\$1,000,000 and interest accrued thereon due from Gold Track to Galileo BVI.

## 14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Performance**

The Group recorded a turnover of continuing operations of HK\$181,843,565 for the year ended 31 March 2009, representing an increase of 350% when compared to the turnover of HK\$40,422,046 in the last fiscal year. The increase was mainly due to the revenue generated from the acquired subsidiaries engaging in information technology related business and hotel business, of which the results were included in the accounts for the year ended 31 March 2009.

The direct costs of continuing operations was increased to HK\$29,494,276 from HK\$6,867,491 recorded during last year. The increase in gross profit percentage was mainly due to the higher gross profit rate of information technology related business and hotel business.

Administrative expenses of continuing operations made an increase of 265% to HK\$98,525,648 compared to HK\$26,989,201 in 2008. The increase was mainly due to the costs incurred by the subsidiaries acquired in December 2007 and May 2008 for income generation, and share option granted during the year.

The net profit attributable to equity holders of the Company for the year ended 31 March 2009 was HK\$30,086,197 as compared with the net profit of HK\$2,386,359 for the last fiscal year.

### **Liquidity and Financial Resources**

As at 31 March 2009, the Group's net assets increased to approximately HK\$720,492,000 from net assets of approximately HK\$596,685,000 as at 31 March 2008. The bank balances as at 31 March 2009 was approximately HK\$10,142,000 as compared to the balance of approximately HK\$104,664,000 as at 31 March 2008. The increase in net assets was due to goodwill and property, plant and equipment recognised from acquisition of subsidiaries, trade receivables from the increased turnover and conversion option embedded in loan receivable. During the year ended 31 March 2009, the Group's operation was mainly financed by the operating activities of the Group.

### **Gearing Ratio**

The gearing ratio, is calculated as borrowings divided by total equity, was approximately 0% (31 March 2008: 1%).

### **Employee Information**

The total number of employees was 482 as at 31 March 2009 (2008: 41), and the total remuneration for the year ended 31 March 2009 was approximately HK\$39,571,411 (2008: HK\$12,809,000). The Group's remuneration policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident fund, are also provided to employees where appropriate. Discretionary bonus is linked to performance of the individual specific to each case. The Group may offer options to reward employees who make significant contributions and to retain key staff pursuant to the share option scheme of the Group. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.



## **Change of Company Name**

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 5 May 2008, the name of the Company changed from Galileo Holdings Limited 嘉利福控股有限公司 to Sun International Group Limited 太陽國際集團有限公司.

## **Share Consolidation**

Pursuant to an ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 25 June 2008, the consolidation of ordinary shares in the share capital of Company (on the basis that every two then existing issued and unissued ordinary shares of HK\$0.02 each were consolidated into one ordinary share of HK\$0.04) was approved and subsequently become effective on 26 June 2008.

## **Charges on Group Assets**

As at 31 March 2009, plant and equipment of the Group with net book value of HK\$18,873 was held under finance leases (2008: HK\$26,682) and properties disposal on 26 November 2008 with net book value of HK\$7,560,000 in 2008 were pledged as securities for bank loan.

## **Contingent Liabilities**

As at 31 March 2009, the Group had no contingent liabilities.

## **Foreign Exchange Exposure**

The income and expenditure of the Group are denominated in Hong Kong dollars, PESO and Renminbi, the impact of foreign exchange exposure of the Group were considered minimal. Hence, no hedging or other arrangements to reduce the currency risk have been implemented.

## **Material Acquisition**

On 20 May 2008, the Group completed to acquire the entire share capital of Superb Kings Limited and all the liabilities and debts owing or incurred by Superb Kings Limited to the vendor due and payable on or at any time prior to the completion at a consideration of HK\$205,000,000. The consideration was satisfied by (i) HK\$115,500,000 by procuring by procuring the Company to allot and issue the Consideration Shares on completion; (ii) HK\$44,750,000 in cash as deposit; and (iii) HK\$44,750,000 in cash on completion. Details of the acquisition are set out in the circular of the Company dated 10 April 2008.

## **Discontinued Operations**

On 27 October 2008, the Group entered into a sale and purchase agreement with Grand Pacific Management Inc. to dispose of the Group's funeral service business. The Group's management and shareholders approved the disposal of its entire equity interest in Cheung Shing Funeral Limited and Grand Sea Limited, which are engaged in the funeral service business, for a consideration of HK\$3,140,779. The Transaction was completed on 26 November 2008.

## **Dividend**

No dividend was paid or proposed during the year ended 31 March 2009, nor has any dividend been proposed since the balance sheet date (2008: Nil).

## **Business Review**

For the whole year under review, the international financial market was seriously affected by the financial crisis due to the United States home loan market. Rescue plans were implemented by various government authorities in strengthening their banking systems. However, the global financial tsunami had caused an adverse effect on consumer spending and investment atmosphere. The Board had decided to suspend the financial advisory service. In addition, the funeral service was terminated in December 2008 in order to concentrate the resources on profitable projects.

Following the acquisition of Loyal King Investments Limited and its subsidiaries (the “Loyal King Group”), the Group is able to explore into the development of entertainment and gaming activities. With the strong and competent information technology staff of the Loyal King Group, the Group is able to increase its market share in the gaming market and improve its financial position by increasing revenue and profit.

The operation of the resort hotel in Cagayan, the Philippines had been suspended from August 2008 to November 2008 due to the destruction of hotel facilities by an exceptional bid typhoon. The renovation work had been completed in November 2008.

## **OUTLOOK AND DEVELOPMENT**

For the foreseeable future, China will continue to be a major factor of international trade. However, under the present condition of the investment environment, the Board will pay more attention to projects which can generate stable income to the Group.

Regarding the provision of computer system and related services in relation to the on-line entertainment and gaming activities, the Board is of the view that the performance is promising and it will greatly improve the Group’s financial position.

The Board is always seeking opportunities to diversify the Group’s revenue streams in order to enhance shareholders’ value and is optimistic about the project of acquiring Superb Kings Limited. The Board is attracted by the future prospect of tourism development and is optimistic about the prospect of the hotel and tourism business in Cagayan Valley of the Philippines as the demand for accommodations and entertainment facilities will continue to grow in the near future. The Board is of the view it can provide valuable opportunity for the Group to tap into the hotel industry while to increase the value of the Group, which are in the interests of the Shareholders as a whole. The typhoon event happened in August 2008 was only an exception case. All the renovation work had been completed In November 2008. The hotel operation restarted in November 2008.

Concerning the loan to Gold Track Mining and Resources Limited (“Gold Track”), the Board considers that Indonesia has abundant resources to be discovered and explored. It will provide a great potential for the business growth if the Group is able to step into the natural resources business of Indonesia. As the current financial position of the Group is sound, the Board considers it is beneficial to provide the Loan to Gold Track. On 8 October 2008, the Group entered into a subscription agreement with Gold Track, pursuant to which the Group would subscribe 11,739 shares of Gold Track (representing 54% of the enlarged share capital to Gold Track), In consideration of the Group capitalizing the loan. Gold Track has the requisite experience and knowledge in discovery of the natural resources.

## **CHARITABLE DONATIONS**

Charitable donations of HK\$500,124 (2008: Nil) were made by the Group during the year.

## **POST BALANCE SHEET EVENT**

Pursuant to the announcement dated 31 October 2008, Galileo BVI (a wholly-owned subsidiary of the Company) and Gold Track entered into the subscription agreement (the “Subscription Agreement”) and the supplemental agreement (the “Supplemental Agreement”) on 8 October 2008 and 23 October 2008 respectively. The subscription constitutes a very substantial acquisition (“Very Substantial Acquisition”) for the Company under Chapter 19 of the GEM Listing Rules. Pursuant to the Subscription Agreement and the Supplemental Agreement, Gold Track has conditionally agreed to allot and issue the 11,739 shares of Gold Track (representing approximately 54% of the enlarged share capital of Gold Track) to Galileo BVI in consideration of Galileo BVI capitalizing the loan of US\$1,000,000 and interests accrued thereon due from Gold Track to Galileo BVI. The transaction is conditional and is subject to the approval of the shareholders of the Company. Details of the Very Substantial Acquisition are set out in the Company’s announcement and circular dated 31 October 2008 and 22 June 2009 respectively.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

The Company purchased 6,365,000 Shares of the Company’s listed securities during the year under review.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

## **BOARD PRACTICES AND PROCEDURES**

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2009.

## **PRE-EMPTIVE RIGHTS**

There is no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## **AUDIT COMMITTEE**

The audit committee comprises three members, Messrs. Poon Lai Yin, Michael, Fung Kwok Ki and Ng Tat Fai. All of them are independent non-executive directors of the Company.

The primary duties of the audit committee are to review the Company’s annual and quarterly financial reports and to provide advice and comments thereon to the Board of Directors. Four audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2009 have been reviewed by the audit committee, which is of the opinion that the preparation of such consolidated financial statements complies with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures have been made.

## **REMUNERATION COMMITTEE**

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Fung Kwok Ki, Mr. Poon Lai Yin, Michael and Mr. Ng Tat Fai, all of them are independent non-executive Directors and Mr. Fung Kwok Ki was appointed as the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

## **CORPORATE GOVERNANCE**

None of the Company's Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the financial report, in compliance with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

## **PUBLICATION OF ANNUAL REPORT ON THE GEM WEBSITE**

The annual report of the Company contains all the information required by the GEM Listing Rules will be published on the GEM website in due course.

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

Hong Kong, 26 June 2009

*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 Ng Tat Fai and Mr Poon Lai Yin, Michael.*

*This announcement will appear and remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*