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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 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.

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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.

FINANCIAL SUMMARY (UNAUDITED)

- Turnover of the Group of continuing operations was approximately HK\$135,445,000 for the nine months ended 31 December 2009, representing an increase of approximately 2% from the corresponding period in the previous fiscal year.
- For the nine months ended 31 December 2009, gross profit of the Group of continuing operations was approximately HK\$94,825,000 as compared to the gross profit of continuing operations approximately HK\$100,385,000 from the corresponding period in the previous fiscal year.
- Profit attributable to owners of the parent for the nine months ended 31 December 2009 amounted to approximately HK\$204,096,000 as compared to profit of approximately HK\$23,133,000 from the corresponding period in the previous fiscal year.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2009 (2008: Nil).

CONSOLIDATED THIRD QUARTERLY FOR 2009 (UNAUDITED)

The board of Directors (the “Board”) of the Company hereby announces the unaudited consolidated results of the Group for the three months and nine months ended 31 December 2009, together with the comparative unaudited figures for the corresponding period in 2008 were as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 31 December 2009

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Continuing operations:					
Revenue	2	46,858,395	35,788,836	135,445,492	133,094,111
Direct cost		<u>(11,254,530)</u>	<u>(11,052,518)</u>	<u>(40,620,093)</u>	<u>(32,709,207)</u>
Gross profit		35,603,865	24,736,318	94,825,399	100,384,904
Other operating income		75,195	210,904	342,050	285,843
Gain from a bargain purchase	3	–	–	184,200,827	–
Administrative expenses		<u>(29,888,690)</u>	<u>(14,786,338)</u>	<u>(64,626,201)</u>	<u>(56,498,829)</u>
Finance costs		<u>(337)</u>	<u>(6,035)</u>	<u>(1,187)</u>	<u>(7,050)</u>
Loss on disposal of subsidiaries		<u>–</u>	<u>(4,631,842)</u>	<u>–</u>	<u>(4,631,842)</u>
Profit before taxation	4	5,790,033	5,523,007	214,740,888	39,533,026
Income tax expense	5	<u>(2,909,911)</u>	<u>(3,199,829)</u>	<u>(7,675,116)</u>	<u>(12,950,779)</u>
Profit for the period from continuing operations		2,880,122	2,323,178	207,065,772	26,582,247
Discontinued operations:					
Loss for the period from discontinued operations		<u>–</u>	<u>(24,945)</u>	<u>–</u>	<u>(174,397)</u>
Profit for the period		<u>2,880,122</u>	<u>2,298,233</u>	<u>207,065,772</u>	<u>26,407,850</u>
Other comprehensive income:					
Currency translation differences		<u>541,203</u>	<u>–</u>	<u>1,004,489</u>	<u>–</u>
Other comprehensive income for the period		<u>541,203</u>	<u>–</u>	<u>1,004,489</u>	<u>–</u>
Total comprehensive income for the period		<u><u>3,421,325</u></u>	<u><u>2,298,233</u></u>	<u><u>208,070,261</u></u>	<u><u>26,407,850</u></u>

	<i>Notes</i>	For the three months ended 31 December		For the nine months ended 31 December	
		2009	2008	2009	2008
		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Profit attributable to:					
Owners of the parent		857,108	1,843,831	204,095,958	23,133,386
Non-controlling interests		2,023,014	454,402	2,969,814	3,274,464
		<u>2,880,122</u>	<u>2,298,233</u>	<u>207,065,772</u>	<u>26,407,850</u>
Total comprehensive income attributable to:					
Owners of the parent		1,174,117	1,843,831	204,650,633	23,133,386
Non-controlling interests		2,247,208	454,402	3,419,628	3,274,464
		<u>3,421,325</u>	<u>2,298,233</u>	<u>208,070,261</u>	<u>26,407,850</u>
Dividend	6	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Earnings per share	7				
From continuing and discontinued operations					
Basic (HK cents per share)		<u>0.1</u>	<u>0.22</u>	<u>24.53</u>	<u>1.91</u>
Diluted (HK cents per share)		<u>0.1</u>	<u>0.19</u>	<u>24.52</u>	<u>1.69</u>
From continuing operations					
Basic (HK cents per share)		<u>0.1</u>	<u>0.22</u>	<u>24.53</u>	<u>1.93</u>
Diluted (HK cents per share)		<u>0.1</u>	<u>0.19</u>	<u>24.52</u>	<u>1.70</u>

Condensed Consolidation Statement of Changes in Equity

For the nine months ended 31 December 2009

	Attributable to equity holders of the Company										
	Share Capital HK\$	Share Premium HK\$	Capital Redemption Reserve HK\$	Merger Deficit HK\$	Share Option Reserve HK\$	Property Revaluation Reserve HK\$	Exchange Translation Reserve HK\$	Accumulated Profit/(Loss) HK\$	Total HK\$	Non-Controlling Interest HK\$	Total HK\$
At 1 April 2008 (Audited)	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
Disposal of subsidiaries	-	-	-	-	-	(899,000)	-	453,375	(445,625)	-	(445,625)
Profit for the period	-	-	-	-	-	-	-	23,133,386	23,133,386	3,274,464	26,407,850
Total comprehensive income for the period ended 31 December 2008	31,319,000	587,166,683	-	(119,998)	4,606,631	190,000	-	(6,494,437)	616,667,879	5,979,552	622,647,431
Issue of shares for acquisition of a subsidiary	2,100,000	75,600,000	-	-	-	-	-	-	77,700,000	-	77,700,000
Exercise of share options	120,000	2,228,759	-	-	(218,759)	-	-	-	2,130,000	-	2,130,000
Share option lapsed	-	-	-	-	(357,081)	-	-	357,081	-	-	-
Share option benefits	-	-	-	-	15,946,877	-	-	-	15,946,877	-	15,946,877
Repurchase of shares	(254,600)	-	-	-	-	-	-	-	(254,600)	-	(254,600)
Premium on repurchase of share	-	(6,496,650)	-	-	-	-	-	-	(6,496,650)	-	(6,496,650)
Capital redemption reserve arising from repurchase of shares	-	-	254,600	-	-	-	-	(254,600)	-	-	-
	1,965,400	71,332,109	254,600	-	15,371,037	-	-	102,481	89,025,627	-	89,025,627
As at 31 December 2008 (Unaudited)	<u>33,284,400</u>	<u>658,498,792</u>	<u>254,600</u>	<u>(119,998)</u>	<u>19,977,668</u>	<u>190,000</u>	<u>-</u>	<u>(6,391,956)</u>	<u>705,693,506</u>	<u>5,979,552</u>	<u>711,673,058</u>
At 1 April 2009 (Audited)	33,284,400	658,498,793	254,600	(119,998)	19,912,759	-	-	1,261,388	713,091,942	7,400,123	720,492,065
Arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	165,971,548	165,971,548
Profit for the period	-	-	-	-	-	-	-	204,095,958	204,095,958	2,969,814	207,065,772
Other comprehensive income: Currency translation differences	-	-	-	-	-	-	554,675	-	554,675	449,814	1,004,489
Total comprehensive income for the period ended 31 December 2009	33,284,400	658,498,793	254,600	(119,998)	19,912,759	-	554,675	205,357,346	917,742,575	176,791,299	1,094,533,874
Share option benefits	-	-	-	-	9,160,998	-	-	-	9,160,998	-	9,160,998
As at 31 December 2009 (Unaudited)	<u>33,284,400</u>	<u>658,498,793</u>	<u>254,600</u>	<u>(119,998)</u>	<u>29,073,757</u>	<u>-</u>	<u>554,675</u>	<u>205,357,346</u>	<u>926,903,573</u>	<u>176,791,299</u>	<u>1,103,694,872</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

1. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules.

The unaudited consolidated results have been prepared under the historical cost convention except for certain properties and certain financial instruments, which are measured at fair values.

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group's annual financial statements for the year ended 31 March 2009.

The unaudited consolidated results of the Group for the nine months ended 31 December 2009 are unaudited but have been reviewed by the Company's Audit Committee.

2. REVENUE

Revenue represents the net amounts received and receivable from services provided by the Group to outside customers and is analysed as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Continuing operations				
Hotel services	20,943,456	10,137,407	62,342,450	31,385,817
Computer software solution and service	25,829,421	24,602,730	72,228,114	100,200,929
Business consultancy	–	860,645	–	978,145
Others	85,518	188,054	874,928	529,220
	<u>46,858,395</u>	<u>35,788,836</u>	<u>135,445,492</u>	<u>133,094,111</u>
Discontinued operations				
Funeral services	–	87,463	–	523,817
Rental income	–	–	–	15,000
	<u>–</u>	<u>87,463</u>	<u>–</u>	<u>538,817</u>
	<u><u>46,858,395</u></u>	<u><u>35,876,299</u></u>	<u><u>135,445,492</u></u>	<u><u>133,632,928</u></u>

3. GAIN FROM A BARGAIN PURCHASE

On 1 September 2008, the Group entered into a loan agreement of US\$1,000,000 with Gold Track which the Group is entitled to capitalize the loan and interest accrued thereon into not less than 51% of the share capital of Gold Track as enlarged by the allotment and issue of additional shares to the Group. Gold Track owns 95% shareholding of PT. Tomico and PT. Tomico has 100% indirect and beneficial interest in PT. Kapitalindo by share pledge arrangement.

The Group decided to exercise the subscription to acquire the shares of Gold Track. After the completion of the acquisition on 17 July 2009, the Group has owned 54% shareholding in Gold Track and 51.3% shareholding in both of PT. Tomico and PT. Kapitalindo. As at 17 July 2009, the Group revaluated the net assets of Gold Track Group to its fair value as HK\$360,816,298.

Gain from a bargain purchase and the net assets acquired arising from the acquisition of Gold Track Group were as follows:

	<i>HK\$</i> (Unaudited)
Net assets acquired:	
Intangible assets	503,530,000
Property, plant and equipment	5,009,609
Exploration & evaluation assets	4,241,969
Other receivables	914,157
Bank balances and cash	4,046,287
Other payables	(1,768,708)
Amount due to the holding company	(4,914)
Amount due to a director	(4,093,102)
Deferred tax	<u>(151,059,000)</u>
	360,816,298
Non-controlling interests	(165,975,497)
Gain from a bargain purchase	<u>(184,200,827)</u>
Total consideration	<u><u>10,639,974</u></u>
Satisfied by:	
Interest income receivable	647,507
Convertible loans	7,800,000
Direct expenses relating to the acquisitions	<u>2,192,467</u>
	<u><u>10,639,974</u></u>
Net cash inflow arising on acquisition	4,046,287
Bank balance and cash	
Direct expenses relating to the acquisitions	<u>(2,192,467)</u>
	<u><u>1,853,820</u></u>

The gain from a bargain purchase of HK\$184,200,827 is the excess of the Group's interest in the net fair value of Gold Track Group's identifiable assets, liabilities and contingent liabilities over the cost of acquisition. The whole amount of the excess HK\$184,200,827 should be recognised immediately in profit or loss.

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting):

	For the three months ended 31 December		For the nine months ended 31 December	
	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)
Employee benefits expense including those of directors				
– wages, salaries and others	9,048,270	7,280,214	26,491,011	18,639,977
– share base payment expense	9,160,998	(233,673)	9,160,998	15,713,204
Amortisation for intangible asset	6,294,125	–	12,588,250	–
Depreciation for property, plant and equipment				
– owned assets	3,865,017	1,873,740	5,818,876	3,827,145
– finance lease assets	3,914	1,952	7,819	5,857
Interest income	<u>(2,264)</u>	<u>(7,548)</u>	<u>(5,611)</u>	<u>(24,651)</u>

5. INCOME TAX EXPENSE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2008: 16.5%) and at the rates of taxation prevailing in the country in which the Group operates respectively.

	For the three months ended 31 December		For the nine months ended 31 December	
	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)
Continuing operations				
Over-provision in prior year				
– Hong Kong profits tax	–	–	(191,762)	–
Current income tax				
– Hong Kong profits tax	2,895,410	3,199,829	7,818,123	12,950,779
– Overseas taxation	<u>14,501</u>	<u>–</u>	<u>48,755</u>	<u>–</u>
	<u>2,909,911</u>	<u>3,199,829</u>	<u>7,675,116</u>	<u>12,950,779</u>

6. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2009 (2008: Nil).

7. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	For the three months ended 31 December		For the nine months ended 31 December	
	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)
(Loss)/profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	857,108	1,843,831	204,095,958	23,133,386
	Number of shares		Number of shares	
	2009 (Unaudited)	2008 (Unaudited)	2009 (Unaudited)	2008 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	832,110,000	833,524,262	832,110,000	1,082,263,600
Effect of dilutive potential ordinary shares: share options	61,072,449	69,384,157	400,000	99,347,011
Weighted average number of ordinary shares for the purpose of diluted earnings per share	893,182,449	902,908,419	832,510,000	1,181,610,611

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:

	For the three months ended 31 December		For the nine months ended 31 December	
	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)	2009 HK\$ (Unaudited)	2008 HK\$ (Unaudited)
Profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	857,108	1,843,831	204,095,958	23,133,386
Less: loss for the period from discontinued operations	—	(24,945)	—	(174,397)
	857,108	1,868,776	204,095,958	23,307,783

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

8. POST BALANCES EVENTS

Pursuant to the announcement dated 16 October 2009, Galileo Capital Group (BVI) Limited (a wholly-owned subsidiary of the Company) as purchaser entered into a conditional sale and purchase agreement (the "Acquisition Agreement") with a connected person of the Company as vendor (the "Vendor") in relation to the acquisition (the "Acquisition") of the entire equity interests of an investment holding company through which the Purchaser shall indirectly hold 95% interests in a mine located in Indonesia. The entering into of the Acquisition Agreement will constitute a major and connected transaction on the part of the Company under Chapters 19 and 20 of the GEM Listing Rules. Details of the major and connected transaction in relation to acquisition of Indonesian mining business was made in the Company's announcement and circular dated 4 November 2009 and 19 January 2010 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Performance

The Group recorded a turnover of continuing operations of approximately HK\$135,445,000 for the nine months ended 31 December 2009, representing a increase of 2% when compared to the corresponding period in the last fiscal year. The slightly increase was mainly due to the revenue generated from hotel services.

The direct cost of continuing operations was increased to approximately HK\$40,620,000 from approximately HK\$32,709,000 compared with the same period last year. The decrease in gross profit margin was mainly due to arise in movie production costs. The Company started to invest in movie production in September 2009 and the corresponding revenue will be recorded in the coming quarter. The gross profit margin for the three months ended increased to approximately HK\$35,604,000 from approximately HK\$24,736,000 compared with the same period last year. The increase was mainly due to hotel services have three months normal operation in the third quarter. A typhoon event happened in August 2008, the hotel service was suspended from August to November 2008, and it only operated one and a half month in last year third quarter.

Administrative expenses of continuing operations increased to 14% approximately HK\$64,626,000 compared to approximately HK\$56,499,000 in 2008. The increase was mainly due to a half year amortization of intangible asset for mining right in the amount of HK\$12,588,000. The Company acquired the Gold Track Group in July 2009 for the consideration of HK\$8,447,507 and revaluated the net assets to fair value as HK\$360,816,298 which included the mining right in the amount of HK\$503,530,000. The mining right is amortized on straight-line basis over proposed production period of 20 years. On 16 December 2009, the Company granted 58,100,000 share options accounted for as an equity settled share based payment of approximately HK\$9,160,998.

The profit for the period from continuing operations for three months ended increased to approximately HK\$2,880,000 from approximately HK\$2,323,000 compared with the same period last year. The increase was mainly due to hotel services have three months normal operation in third quarter. A typhoon event happened in August 2008, the hotel service was suspended from August to November 2008, and it only operated one and a half month in last year third quarter.

The profit attributable to owners of the parent for the nine months ended 31 December 2009 was approximately HK\$204,096,000, an increase of approximately HK\$180,963,000 or more than 776% as compared with the corresponding period in the last fiscal year. The higher profit figure mainly reflected a gain from a bargain purchase generated by the mine acquired in July 2009.

The mine was acquired in July 2009. Currency translation differences arose from the translation of Indonesian operation in the amount of approximately HK\$1,004,000, the operation used the Indonesian Rupiah as a functional currency, against Hong Kong dollars as a presentation currency.

Business Review

For the period under review, the international financial market was recovering after the financial crisis due to the United States home loan market. Rescue plans implemented by various government authorities seemed to be useful in strengthening their banking systems. However, the global financial tsunami had caused an adverse effect on consumer spending and investment atmosphere.

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 is very stable now and it gives a very promising return to the Group.

The acquisition of Gold Track Mining and Resources Limited was completed on 17 July 2009. It will provide a great potential for the business growth as the Group is able to step into the natural resources business of Indonesia. One example is the investment in Gold Track Holding Inc. which owns another iron mine in Padang of Indonesia.

Prospects

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.

Concerning the mining business in Indonesia, the Board considers that Indonesia has abundant resources to be discovered and explored. After the acquisition of Gold Track Mining and Resources Limited, the Board considers that it has the requisite experience and knowledge in discovery of the natural resources. The Company will concentrate more on the mining business in the future.

The Board also expects that transfer of listing from GEM to Main Board in coming future while the Company has fulfilled all the conditions.

Material Acquisition

On 17 July 2009, the Company completed to acquire 54% shares of Gold Track and the liabilities and debts owing or incurred by Gold Track to the vendor payable on or at any time prior to the completion at a consideration of HK\$8,447,507. The consideration was satisfied by (i) HK\$647,507 in interest income receivable; and (ii) HK\$7,800,000 in convertible loans on completion. Details of the acquisition are set out in the circular of the Company dated 22 June 2009.

Liquidity and Financial Resources

As of 31 December 2009, the Group's net assets increased by approximately HK\$383,203,000 from net assets of approximately HK\$720,492,000 as at 31 March 2009. The cash and bank balances as at 31 December 2009 was approximately HK\$36,116,000, representing an increase of approximately 256% when compared with the balance as at 31 March 2009. During the nine months ended 31 December 2009, the Group's operation was mainly financed by the internal financial resources of the Group.

Charges on Group Assets

As at 31 December 2009, plant and equipment of the Group with net book value of HK\$50,294 was held under finance lease (2008: HK\$20,825).

Contingent Liabilities

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

Foreign Exchange Exposure

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

Employee Information

The total number of employees was 600 as at 31 December 2009 (2008: 600), and the total remuneration for the nine months ended 31 December 2009 was approximately HK\$34,353,000 (2008: HK\$34,379,000). 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

As at 31 December 2009, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(1) Long positions in the shares of the Company

Ordinary share of HK\$0.04 each of the Company

Name of Director	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Mr. Chau Cheok Wa	Corporate (Note)	140,000,000	Interest of a controlled corporation	16.82%
Mr. Tang Hon Kwong	Personal	3,700,000	Beneficial owner	0.44%
Mr. Lee Chi Shing, Caesar	Personal	500,000	Beneficial owner	0.06%

Note: These ordinary shares are held by First Cheer Holdings Limited. First Cheer Holdings Limited is beneficially owned as to 45% by Mr. Chau Cheok Wa, as to 45% by Mr. Cheng Ting Kong, and as to 10% by Mr. Lai Ting Kwong.

(2) Long positions in the underlying shares of the Company

Pursuant to the new share option scheme adopted by the Company on 5 December 2006 (the "New Scheme"), several Directors in the capacity as beneficial owners were granted share options to subscribe for shares of the Company, details of which as at 31 December 2009 were as follows:

Name of Director	Date of grant	Number of share options	Exercised during the period	Exercise price of share option HK\$	Exercise period from	Exercise period until	Number of share options outstanding as at 31 December 2009
Mr. Tang Hon Kwong	19/8/2008	3,580,000	–	1.14	19/8/2008	18/8/2018	3,580,000
	27/8/2008	4,800,000	–	1.16	27/8/2008	26/8/2018	4,800,000
Mr. Lee Chi Shing, Caesar	19/8/2008	8,380,000	–	1.14	19/8/2008	18/8/2018	8,380,000

Save as disclosed above, during the nine months ended 31 December 2009, none of the Directors or their respective associates was granted share options to subscribe for shares of the Company and nor had exercised such rights.

Save as disclosed above, during the nine months ended 31 December 2009, none of the Directors or chief executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules.

DETAILS OF SHARE OPTIONS GRANTED BY THE COMPANY

Under the terms of the New Scheme adopted by the Company on 5 December 2006, the board of Directors is authorized, at its absolute discretion, to grant options to employee (including any executive and non-executive director), proposed employee, consultant, adviser, agent, contractor, customer or supplier of any member of the Group, to subscribe for shares in the Company.

The operation of the old share option scheme was terminated on 5 December 2006, upon the approval of shareholders at the extraordinary general meeting held on 5 December 2006. Under the old share option scheme, no share option was outstanding as at 31 December 2009.

As at 31 December 2009, details of share options outstanding were as follows:

Date of grant	Number of share options				At 31 December 2009	Exercise period of share options	Exercise price of share options HK\$
	At 1 April 2009	Granted during the period	Exercised during the period				
13/08/2007	17,450,000	–	–	17,450,000	13/8/2007 to 12/8/2017	0.76	
17/08/2007	9,600,000	–	–	9,600,000	17/8/2007 to 16/8/2017	0.72	
21/08/2007	9,600,000	–	–	9,600,000	21/08/2007 to 20/08/2017	0.69	
19/08/2008	74,200,000	–	–	74,200,000	19/08/2008 to 18/08/2018	1.14	
27/08/2008	9,600,000	–	–	9,600,000	27/08/2008 to 26/08/2018	1.16	
16/12/2009	–	58,100,000 (Note)	–	58,100,000	16/12/2009 to 15/12/2019	0.74	
	<u>120,450,000</u>	<u>58,100,000</u>	<u>–</u>	<u>178,550,000</u>			

Note: During the nine month period ended 31 December 2009, a total of 58,100,000 share options were granted on 16 December 2009. The closing price of the Company shares immediately before the date on which the aforesaid share options were granted as HK\$0.74 per share.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors, their respective associates to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Group was a party and in which a Director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

SUBSTANTIAL SHAREHOLDERS AND DISCLOSURE UNDER SFO

So far as is known to any Directors or chief executives of the Company, as at 31 December 2009, the following person or corporations had equity interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Ordinary share of HK\$0.04 each of the Company

Name of Shareholders	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
First Cheer Holdings Limited (<i>Note 1</i>)	Corporate	140,000,000	Beneficial owner	16.82%
Cheng Ting Kong (<i>Note 1</i>)	Corporate	140,000,000	Interest of a controlled corporation	16.82%
Chau Cheok Wa (<i>Note 1</i>)	Corporate	140,000,000	Interest of a controlled corporation	16.82%
Yeung Hak Kan	Personal	113,768,500	Beneficial owner	13.67%
Premier United Limited (<i>Note 2</i>)	Corporate	95,000,000	Beneficial owner	11.42%
Chan Ping Che (<i>Note 2</i>)	Corporate	95,000,000	Interest of a controlled corporation	11.42%
Lam Shiu May (<i>Note 2</i>)	Corporate	95,000,000	Interest of a controlled corporation	11.42%

Notes:

1. First Cheer Holdings Limited is beneficially owned as to 45% by Mr. Cheng Ting Kong, as to 45% by Mr. Chau Cheok Wa and as to 10% by Mr. Lai Ting Kwong.
2. Premier United Limited is beneficially owned as to 50% by Mr. Chan Ping Che and as to 50% by Ms. Lam Shiu May. Accordingly, both Mr. Chan Ping Che and Ms. Lam Shiu May are deemed under the SFO to be interested in the 95,000,000 shares beneficially owned by Premier United Limited.

Save as disclosed above, as at 31 December 2009, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

PRE-EMPTIVE RIGHTS

There are 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.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the management shareholders or the substantial shareholders of the Company, or any of their respective associates (as defined in the GEM Listing Rules), has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

AUDIT COMMITTEE

The Company set up an audit committee ("Audit Committee") on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. During the period under review, the Audit Committee comprised three members, Mr. Poon Lai Yin, Michael, Mr. Fung Kwok Ki and Mr. Ng Tat Fai, all of them are independent non-executive Directors and Mr. Poon Lai Yin, Michael was appointed as the chairman of the Audit Committee. The results for the nine months ended 31 December 2009 were reviewed by the Audit Committee.

REMUNERATION COMMITTEE

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the period under review, the Remuneration Committee comprised three members, Mr. Fung Kwok Ki, Mr. Ng Tat Fai and Mr. Poon Lai Yin, Michael, 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices under Appendix 15 to the GEM Listing Rules throughout the nine months ended 31 December 2009.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company continued to adopt a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors.

BOARD OF DIRECTORS

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.

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

Hong Kong, 5 February 2010

This announcement will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the Company's website at www.sun8029.com.