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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)

CLARIFICATION ANNOUNCEMENT

This announcement is made by Sun International Group Limited (the “**Company**” which together with its subsidiaries the “**Group**”) in order to clarify the third quarterly results announcement (the “**Third Quarterly Results Announcement**”) for the nine months ended 31 December 2009, which was published by the Company on 5 February 2010.

The board has noticed that there are discrepancies between the Chinese version of the Third Quarterly Results Announcement and the English version of the Third Quarterly Results Announcements. **The Board wishes to stress that all the information previously disclosed in the English version of the Third Quarterly Results Announcement published on 5 February 2010 is accurate and correct, while certain information in the Chinese version of the Third Quarterly Results Announcement is inaccurate and incorrect.**

Hence, no clarification or amendment is required for the English version of the Third Quarterly Results Announcement and the clarification and amendment disclosed herein should only apply to the Chinese version of the Third Quarterly Results Announcement.

However, for the avoidance of doubt and for clarity’s sake, the Board would re-publish (for the English version only) and amend (for the Chinese version only) the following parts of the Third Quarterly Results Announcement:

1. The entire Condensed Consolidated Statement of Comprehensive Income be deleted and substituted 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		(11,254,530)	(11,052,518)	(40,620,093)	(32,709,207)
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		(29,888,690)	(14,786,338)	(64,626,201)	(56,498,829)
Finance costs		(337)	(6,035)	(1,187)	(7,050)
Loss on disposal of subsidiaries		–	(4,631,842)	–	(4,631,842)
Profit before taxation	4	5,790,033	5,523,007	214,740,888	39,533,026
Income tax expense	5	(2,909,911)	(3,199,829)	(7,675,116)	(12,950,779)
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		–	(24,945)	–	(174,397)
Profit for the period		2,880,122	2,298,233	207,065,772	26,407,850
Other comprehensive income:					
Currency translation differences		541,203	–	1,004,489	–
Other comprehensive income for the period		541,203	–	1,004,489	–
Total comprehensive income for the period		3,421,325	2,298,233	208,070,261	26,407,850
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
		2,880,122	2,298,233	207,065,772	26,407,850

	<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>
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>

2. The entire Note 7 to the Unaudited Consolidated Financial Results be deleted and substituted as follows:

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	2008	2009	2008
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
(Loss)/profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	<u>857,108</u>	<u>1,843,831</u>	<u>204,095,958</u>	<u>23,133,386</u>

	Number of shares		Number of shares	
	2009	2008	2009	2008
	(Unaudited)	(Unaudited)	(Unaudited)	(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	<u>61,072,449</u>	<u>69,384,157</u>	<u>400,000</u>	<u>99,347,011</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>893,182,449</u>	<u>902,908,419</u>	<u>832,510,000</u>	<u>1,181,610,611</u>

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		For the nine months ended	
	31 December		31 December	
	2009	2008	2009	2008
	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(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	<u>—</u>	<u>(24,945)</u>	<u>—</u>	<u>(174,397)</u>
	<u>857,108</u>	<u>1,868,776</u>	<u>204,095,958</u>	<u>23,307,783</u>

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

3. The paragraph “Review of Financial Performance” under the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” be deleted and substituted as follows:

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 an increase of 2% when compared to the corresponding period in the last fiscal year. The slight 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 an increase 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 having 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 months 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 a straight-line basis over the 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 having 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 months 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.

Save as disclosed herein, no other amendment is made to both Chinese and English versions of the Third Quarterly Results Announcement. The Board wishes to stress that shareholders of the Company and investors should treat the information disclosed in this announcement as correct and accurate in case there are inconsistencies between the information disclosed herein and the information disclosed in the Third Quarterly Results Announcement.

The Company will ensure that all the information disclosed in both Chinese and English versions of the Third Quarterly Report, which is to be published as soon as practicable, is correct and accurate in all material respects.

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

Hong Kong, 8 February 2010

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

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 “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.