



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 2011

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.

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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.

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RESULTS

The Board of Directors (the “Board”) of Sun International Group 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 2011 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	<i>Notes</i>	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Turnover	3	201,294,347	181,409,919
Direct costs		(45,114,349)	(53,665,598)
Gross Profit		156,179,998	127,744,321
Other operating income	5	2,580,230	10,048,163
Administrative expenses		(78,877,637)	(63,618,758)
Amortization		(5,867,749)	(29,928,791)
Fair value charge in derivative financial instruments		(3,494,504)	–
Finance costs	7	(6,908,774)	(6,034)
Gain on business combination	6	–	355,137,107
Impairment loss of goodwill		–	(86,226,571)
Impairment loss of investment property		–	(35,450,409)
Share-based payment expenses		(11,147,191)	(13,698,180)
Profit before taxation		52,464,373	264,000,848
Income tax expense	8	52,609,083	(9,814,383)
Profit for the year	9	105,073,456	254,186,465
Other comprehensive income:			
Currency translation differences		(838,262)	2,161,623
Total comprehensive income for the year		104,235,194	256,348,088
Profit for the year attributable to:			
Equity holders of the company		68,744,271	251,508,178
Non-controlling interests		36,329,185	2,678,287
		105,073,456	254,186,465

	<i>Notes</i>	2011 HK\$	2010 HK\$
Total comprehensive income for the year attributable to:			
Equity holders of the company		67,222,408	252,587,749
Non-controlling interests		37,012,786	3,760,339
		<u>104,235,194</u>	<u>256,348,088</u>
Earnings per share (HK cents per share)			
	<i>10</i>		
Basic		<u>7.31</u>	<u>30.16</u>
Diluted		<u>7.05</u>	<u>28.66</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	<i>Notes</i>	2011 HK\$	2010 HK\$
Non-current assets			
Intangible assets		1,075,568,296	1,081,346,620
Goodwill		419,539,298	419,539,298
Exploration and evaluation assets		33,777,360	42,188,038
Property, plant and equipment		31,572,113	22,846,607
Investment properties		74,797,984	67,982,935
Interests in associates		280,000,000	—
		1,915,255,051	1,633,903,498
Current assets			
Inventories		22,066,917	6,570,541
Trade receivables	<i>12</i>	71,774,365	94,277,768
Prepayments, deposits and other receivables	<i>13</i>	15,662,550	31,283,381
Derivative financial instruments		11,939,750	—
Tax recoverable		961,471	92,736
Bank balances and cash		147,144,130	44,127,152
		269,549,183	176,351,578
Current liabilities			
Accruals and other payables		19,633,050	19,004,771
Trade payables		1,929,920	1,998,996
Deposits received		1,370,409	1,022,993
Amount due to a related company		—	3,020,244
Amount due to a shareholder		25,350,000	23,790,000
Obligations under finance leases		101,784	176,149
Promissory note		—	6,500,000
Tax payables		2,561,096	82,050
		50,946,259	55,595,203
Net current assets		218,602,924	120,756,375
Total assets less current liabilities		2,133,857,975	1,754,659,873
Non-current liabilities			
Obligations under finance leases		23,153	126,049
Deferred taxation		269,409,638	333,620,325
Convertible notes		158,844,312	—
Promissory note		140,000,000	—
		568,277,103	333,746,374
Net assets		1,565,580,872	1,420,913,499
Capital and reserves			
Share capital		37,104,000	36,604,400
Reserves		1,124,452,129	1,017,297,142
Equity attributable to equity holders of the Company		1,161,556,129	1,053,901,542
Non-controlling interests		404,024,743	367,011,957
Total equity		1,565,580,872	1,420,913,499

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2011

Attributable to the equity holders of the Company

	Share capital	Share premium	Contributed Surplus	Share options reserve	Convertible notes reserve	Exchange translation reserve	Capital redemption reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 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
Other comprehensive income:											
Currency transaction difference	-	-	-	-	-	(235,839)	-	-	(235,839)	1,082,052	846,213
Profit for the year	-	-	-	-	-	-	-	251,508,178	251,508,178	2,678,287	254,186,465
Total recognised income for the year	-	-	-	-	-	(235,839)	-	251,508,178	251,272,339	3,760,339	255,032,678
Arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	355,851,496	355,851,496
Placement of new shares	3,320,000	76,360,000	-	-	-	-	-	-	79,680,000	-	79,680,000
Strike off a subsidiary	-	-	489,864	-	-	-	-	(4,330,784)	(3,840,920)	-	(3,840,920)
Recognition of equity-settled share-based payment	-	-	-	13,698,180	-	-	-	-	13,698,180	-	13,698,180
At 1 April 2010	36,604,400	734,858,793	369,866	33,610,939	-	(235,839)	254,600	248,438,783	1,053,901,542	367,011,957	1,420,913,499
Other comprehensive income:											
Currency transaction difference	-	-	-	-	-	(1,521,863)	-	-	(1,521,863)	683,601	(838,262)
Profit for the year	-	-	-	-	-	-	-	68,744,271	68,744,271	36,329,185	105,073,456
Total recognised income for the year	-	-	-	-	-	(1,521,863)	-	68,744,271	67,222,408	37,012,786	104,235,194
Recognition of equity-settled share-based payment	-	-	-	11,147,191	-	-	-	-	11,147,191	-	11,147,191
Issue of shares on exercise of share options	499,600	12,388,376	-	(1,969,376)	-	-	-	-	10,918,600	-	10,918,600
Lapse of share options	-	-	-	(4,533,835)	-	-	-	4,533,835	-	-	-
Equity component of convertible notes	-	-	-	-	18,366,388	-	-	-	18,366,388	-	18,366,388
At 31 March 2011	37,104,000	747,247,169	369,866	38,254,919	18,366,388	(1,757,702)	254,600	321,716,889	1,161,556,129	404,024,743	1,565,580,872

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

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 new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 April 2010.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoption
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
Annual Improvements Project	Improvements to HKFRSs 2009

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

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ^(e)
HKAS 24 (Revised)	Related Party Disclosures ^(c)
HKAS 32 (Amendment)	Classification of Right Issues ^(a)
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS7 Disclosures for First-time Adopters ^(b)
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ^(d)
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets ^(d)
HKFRS 9	Financial Instruments ^(f)
HK (IFRIC) – Int 14 (Amendment)	Prepayments of Minimum Funding Requirement ^(c)
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ^(b)
Annual Improvements Project	Improvements to HKFRSs 2010 ^(c)

- (a) Effective for annual periods beginning on or after 1 February 2010
- (b) Effective for annual periods beginning on or after 1 July 2010
- (c) Effective for annual periods beginning on or after 1 January 2011
- (d) Effective for annual periods beginning on or after 1 July 2011
- (e) Effective for annual periods beginning on or after 1 January 2012
- (f) Effective for annual periods beginning on or after 1 January 2013

The directors of the Group anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

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:

	2011	2010
	<i>HK\$</i>	<i>HK\$</i>
Computer software solution and services income	102,293,222	88,222,341
Hotel services income	82,919,089	83,060,005
Mining services income	11,178,679	5,836,605
Entertainment operations	4,903,357	4,290,968
	<u>201,294,347</u>	<u>181,409,919</u>

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 businesses are structured and managed separately, according to the nature of their operations and services provided. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks 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:

Computer software solution and services	–	provision of computer hardware and software service
Hotel services	–	provision of hotel operation and management services
Mining services	–	provision of mining iron ores and minerals
Entertainment operations	–	production and distribution of motion pictures and model agency services and provision of other film related services

Statement of comprehensive income
For the year ended 31 March 2011

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
Turnover						
External sales	<u>102,293,222</u>	<u>82,919,089</u>	<u>11,178,679</u>	<u>4,903,357</u>	<u>-</u>	<u>201,294,347</u>
Earning before interest, tax, depreciation and amortization	73,838,764	39,381,078	(12,979,383)	2,422,521	(5,777,427)	96,885,553
Amortization	-	-	(5,778,324)	-	-	(5,778,324)
Depreciation	(927,857)	(2,395,175)	(2,510,217)	(25,249)	(390,060)	(6,248,558)
Finance cost	-	-	(28,444)	-	(514)	(28,958)
Result						
Segment result	<u>72,910,907</u>	<u>36,985,903</u>	<u>(21,296,368)</u>	<u>2,397,272</u>	<u>(6,168,001)</u>	84,829,713
Unallocated corporate income						14,486
Unallocated corporate expenses						<u>(32,379,826)</u>
Profit before taxation						52,464,373
Income tax expense						<u>52,609,083</u>
Profit for the year						<u>105,073,456</u>

Consolidated balance sheet
As at 31 March 2011

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
Assets						
Segment assets	138,744,017	198,333,952	1,146,581,298	17,689,469	625,993,624	2,127,342,360
Unallocated corporate assets						<u>57,461,874</u>
Consolidated total assets						<u>2,184,804,234</u>
Liabilities						
Segment liabilities	4,058,554	2,943,668	312,850,210	31,400	140,070,343	459,954,175
Unallocated corporate liabilities						<u>159,269,187</u>
Consolidated total liabilities						<u>619,223,362</u>

Statement of comprehensive income
For the year ended 31 March 2010

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment Operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
Turnover						
External sales	<u>88,222,341</u>	<u>83,060,005</u>	<u>5,836,605</u>	<u>4,290,968</u>	<u>–</u>	<u>181,409,919</u>
Earning before interest, tax, depreciation and amortization	59,958,314	7,183,375	(1,847,307)	(14,522,512)	(3,271,254)	47,500,616
Amortization	–	–	(29,002,443)	–	–	(29,002,443)
Depreciation	(1,005,892)	(1,845,213)	(256,496)	(33,707.00)	(387,468)	(3,528,776)
Finance cost	<u>–</u>	<u>–</u>	<u>(4,570)</u>	<u>–</u>	<u>(1,464)</u>	<u>(6,034)</u>
Result						
Segment result	<u>58,952,422</u>	<u>5,338,162</u>	<u>(31,110,816)</u>	<u>(14,556,219)</u>	<u>(3,660,186)</u>	14,963,363
Gain from a bargain purchase						355,137,107
Impairment loss of goodwill						(86,226,571)
Unallocated corporate income						67
Unallocated corporate expenses						<u>(19,873,118)</u>
Profit before taxation						264,000,848
Income tax expense						<u>(9,814,383)</u>
Profit for the year						<u>254,186,465</u>

Consolidated balance sheet
As at 31 March 2010

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment Operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
Assets						
Segment assets	176,412,788	138,292,807	791,782,989	7,370,958	5,060,612	1,118,920,154
Unallocated corporate assets						<u>751,671,889</u>
Consolidated total assets						<u><u>1,870,592,043</u></u>
Liabilities						
Segment liabilities	31,721,218	142,635,245	822,017,658	31,374	33,070,019	1,029,475,514
Unallocated corporate liabilities						<u>660,627,504</u>
Consolidated total liabilities						<u><u>1,690,103,018</u></u>
Other segment information						
Depreciation	983,257	1,867,848	643,964	33,707	–	3,528,776
Capital addition	1,226,677	10,676,283	8,096,991	–	858,693	20,858,644
Impairment loss recognised in respect of goodwill	86,226,571	–	–	–	–	86,226,571
Impairment loss recognised in respect of investment properties	<u>–</u>	<u>35,450,409</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>35,450,409</u>

Geographical segments

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

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Hong Kong	113,471,901	92,513,309
The Philippines	82,919,089	83,060,005
Indonesia	4,903,357	5,836,605
	<u>201,294,347</u>	<u>181,409,919</u>

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:

	2011	2010	2011	2010
	HK\$	HK\$	HK\$	HK\$
Hong Kong	782,427,110	185,266,490	809,735	2,085,370
The Philippines	198,333,952	138,292,807	5,486,487	10,676,283
Indonesia	1,146,581,298	795,360,857	6,673,391	8,096,991
	<u>2,127,342,360</u>	<u>1,118,920,154</u>	<u>12,969,613</u>	<u>20,858,644</u>

5. OTHER OPERATING INCOME

	2011	2010
	HK\$	HK\$
Other operating income comprised of the followings:		
Interest income	1,249,429	489,659
Sundry income	1,330,801	9,558,504
	<u>2,580,230</u>	<u>10,048,163</u>

6. GAIN FROM BARGAIN PURCHASE

	2011	2010
	HK\$	HK\$
Net assets acquired:		
Intangible assets	–	1,110,342,537
Property, plant and equipment	–	15,112,381
Exploration and evaluation assets	–	29,469,993
Inventories	–	2,303,268
Prepayments, deposits and other receivables	–	6,189,977
Bank balances and cash	–	5,719,451
Other payables, accrual and deposit	–	(3,724,650)
Lease payable	–	(261,185)
Amount due to the ultimate holding company	–	(4,914)
Amounts due to directors	–	(9,983,347)
Amount due to a shareholder	–	(45,240,000)
Amounts due to fellow subsidiaries	–	(567,950)
Amount due to a related company	–	(1,003,515)
Deferred tax	–	(333,102,761)
Non-controlling interest	–	(356,614,671)
Amount due to a shareholder assign to the Group	–	21,450,000
Gain from bargain purchase	–	(355,137,107)
Total consideration	<u>–</u>	<u>84,947,507</u>

7. FINANCE COSTS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Interest on:		
Other borrowings wholly repayable within five years	–	4,570
Finance leases	28,958	1,464
Effective interest expense on convertible notes	6,879,816	–
	<u>6,908,774</u>	<u>6,034</u>

8. INCOME TAX EXPENSE

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	11,542,817	9,751,435
Other than Hong Kong	58,787	62,948
	<u>11,601,604</u>	<u>9,814,383</u>
Deferred tax:		
Reversal of deferred tax liability	<u>(64,210,687)</u>	–
	<u>(52,609,083)</u>	<u>9,814,383</u>

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

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Staff costs:		
Directors' emoluments	8,422,645	7,755,454
Salaries and other benefits	32,223,000	15,741,929
Share-based payment expenses	1,522,879	9,772,038
Retirement benefit scheme contributions (excluding directors)	<u>570,981</u>	<u>529,635</u>
Total employees benefit expenses	<u>42,739,505</u>	<u>33,799,056</u>
Amortization of intangible assets and exploration and evaluation assets	5,867,749	29,928,791
Depreciation on property, plant and equipment		
– owned assets	6,155,566	3,132,321
– financial leases assets	92,992	396,455
Loss on disposal of property, plant and equipment	421,997	918,608
Cost of inventories recognised as an expense	2,157,803	3,912,760
Auditors' remuneration	1,229,083	1,096,143
Share-based payment expenses	4,904,219	3,926,142
Impairment loss of investment properties	–	35,450,409
Impairment loss of goodwill	<u>–</u>	<u>86,226,571</u>
and after crediting:		
Gross rental income from investment properties	<u>77,580,750</u>	<u>77,580,750</u>

10. EARNINGS PER SHARE

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

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	<u>67,222,408</u>	<u>252,587,749</u>
	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	919,123,808	837,567,534
Effect of dilutive potential ordinary shares:		
Share options	<u>34,815,395</u>	<u>43,731,911</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>953,939,203</u>	<u>881,299,445</u>

The weighted average number of ordinary shares for the year ended 31 March 2011 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 2010.

The weighted average number of ordinary shares for the year ended 31 March 2010 has been adjusted stated as above to reflect the share consolidation during the year ended 31 March 2010.

11. DIVIDENDS

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 March 2011 of HK\$1.5 cents per share (2010: Nil) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming general meeting.

12. TRADE RECEIVABLES

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

	2011 HK\$	2010 <i>HK\$</i>
Within 30 days	24,446,802	19,419,270
31-60 days	18,171,700	17,460,500
61-90 days	17,157,098	13,027,296
Over 90 days	11,998,765	44,370,702
	<hr/> 71,774,365 <hr/>	<hr/> 94,277,768 <hr/>

The average credit period on the trade receivables is 30-180 days. The carrying amounts of the trade receivables are denominated in Hong Kong Dollar. The age of trade receivables which are past due but not impaired were as follows:

	2011 HK\$	2010 <i>HK\$</i>
31-60 days	–	609,100
61-90 days	–	988,246
Over 90 days	–	15,343,164
	<hr/> – <hr/>	<hr/> 16,940,510 <hr/>

Trade receivables of HK\$ Nil (2010: HK\$16,940,510) that were past due which over 30-180 days but not impaired for. These balances related to a number of customers that have good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverability. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the directors of the Company considered any change in the credit quality of the trade receivables from the date credit were initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

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

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Deposits	2,689,366	2,036,485
Prepayments	3,315,724	8,287,343
Other receivables	9,657,460	20,959,553
	<u>15,662,550</u>	<u>31,283,381</u>

The Directors consider that the carrying amounts of the Group's prepayments, deposits and other receivables at the reporting date was approximately to their fair values.

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 approximately HK\$201,300,000 for the year ended 31 March 2011 which was increased 11% compared to the turnover of approximately HK\$181,410,000 in the last fiscal year. The revenue was mainly generated from the subsidiaries engaging in information technology related businesses, hotel businesses and natural resources business. The increase in turnover was mainly due to income generated from computer software solution and services income as new games was developed and mining services income as production increased.

The direct costs were decreased to approximately HK\$45,100,000 from approximately HK\$53,666,000 recorded during last year. The increase 22% in gross profit percentage was mainly due to the direct costs decreased in mining services. The decrease in staff costs to HK\$42,740,000 (2010: HK\$48,542,000) was mainly due to reduction in number of employees for this financial year.

Administrative expenses made a increase of 24% to approximately HK\$78,900,000 compared to HK\$63,600,000 in 2010. The increased was mainly due to the fact that the operation cost of the mining businesses was incurred.

No impairment loss of goodwill was incurred for the year ended 31 March 2011. The amount of impairment loss of last year was about HK\$86,200,000.

The net profit attributable to equity holders of the Company for the year ended 31 March 2011 was approximately HK\$105,100,000 as compared with the net profit of approximately HK\$254,200,000 of the last fiscal year. The reason of decrease was due to the gain on business combination resulted in last year and no such gain was recognised in current year.

Liquidity and Financial Resources

As at 31 March 2011, the Group had current assets of approximately HK\$270,000,000 (2010: HK\$176,400,000). The Group's current ratio, calculated on the basis of current assets of approximately HK\$270,000,000 over current liabilities of approximately HK\$50,900,000 was at strong level of approximately 5:1 (2010: 3:1). The bank balances as at 31 March 2011 was approximately HK\$147,100,000 as compared to the balance of approximately HK\$44,100,000 as at 31 March 2010. The Group had no bank and other borrowings (2010: NIL) and a finance lease obligation of approximately HK\$125,000 (2010: HK\$302,000) at the end of the financial year.

The Group issued of the convertible notes in the principal amount of RMB130,000,000 (equivalent to approximately HK\$151,000,000) during the year for the general working capital. With three-year 8% coupon convertible notes with 13% yield in principal amount. At the end of the financial year, the equity attributable to Company's equity owners amounting to approximately HK\$1,565,600,000 (2010: HK\$1,420,900,000), representing an increase of approximately 20% compared to 2010.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Gearing Ratio

The gearing ratio, is calculated as borrowings divided by total equity, was approximately 19% (31 March 2010: 0%).

Employee Information

The total number of employees was 441 as at 31 March 2011 (2010: 549), and the total remuneration for the year ended 31 March 2011 was approximately HK\$42,740,000 (2010: HK\$48,542,000). 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 on case by case basis. The Group may offer options to reward employees who make significant contributions, in order to retain key and crucial staff. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

Charges on Group Assets

As at 31 March 2011, property, plant and equipment of the Group with net book value of approximately HK\$394,210 was held under finance leases (2010: HK\$396,455).

Contingent Liabilities

As at 31 March 2011, the Group did not have significant contingent liabilities (2010: Nil).

Foreign Exchange Exposure

The income and expenditure of the Group are 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 other arrangements to reduce the currency risk have been implemented.

Material Acquisitions

On 27 March 2011, the Company completed the acquisition of the 35% interest in Yuet Sing Group Limited. The consideration is HK\$280 million, which comprised HK\$140 million in cash and HK\$140 million in promissory note.

Dividend

A final dividend of HK\$1.5 cents per share was proposed for the year ended 31 March 2011 (2010: NIL).

Business Review

For the year ended under review, the demand for natural resources is increasing due to the new plan of buying Treasuries implemented by the U.S Federal Reserve which stimulates the inflation rate. Hence, the price of iron is increasing while the Group is focusing on mining business. Prior to 2008, the Group was principally engaged in investment holding, hotel services and computer software solution. The acquisition of Gold Track Mining and Resources Limited, and Gold Track Coal and Mining Limited were completed on 17 July 2009 and 1 March 2010 respectively. They were located in the city of Solok, Sumatera Province and the city of Endes, East Nusa Tenggara Province. On 27 March 2011, the Group acquired 35% of Yuet Sing Group Limited (“Yuet Sing”) as associates. Yuet Sing holds 100% of Risheng Century (Hubei) Mining Company Limited, which is engaged in vanadium mining and exploitation at Jingyang town, Jianshi County, Hubei Province, PRC. These will provide a great potential for the business growth as the Group is able to step into the natural resources business.

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 maintain a stable income from the business.

The operation of the resort hotel in Cagayan, the revenue generated from resort hotel is very stable and it gives a very promising return to the Group.

At the end of this financial year, both mines have completed in setting up all necessary machineries and stable income will be expected in the coming quarter.

On 27 March 2011, the Group acquired 35% of Yuet Sing Group Limited (“Yuet Sing”). Yuet Sing holds 100% of Risheng Century (Hubei) Mining Company Limited, which is engaged in vanadium mining and exploitation at Jingyang town, Jianshi County, Hubei province, PRC. Details of the Sale and Purchase Agreement are set out in the announcement. The mining which is estimated to have approximately 1,205 tons of measured and 54,000 tons of indicated resources for Vanadium Pentoxide (V_2O_5), and 34,000,000 tons of indicated resource for SiO_2 according to a technical report prepared by SRK Consulting China Ltd. (“SRK”) (the “Technical Report”).

OUTLOOK AND DEVELOPMENT

The board of directors has always tried its best to improve the efficiency and effectiveness of the operation so as to enhance the group value.

Business Development

The Group has successfully diversified its business into different sections from service industry like information technology to primary industry like mining. As the economy of China is growing very fast, the demand for different types of natural resources increases rapidly especially those for construction but the supply is limited. Hence, the board of directors believes that the investment in mining business is an excellent one. The Group also expects that the investment in this mining business will contribute a great revenue to the Group in future.

Human Resource

As staff is one of the important assets. The board has appointed one new executive director and one independent director in mining industry to supervise the operation and advise the future trend of development.

The Group also has internal auditor to review and follow up compliance of the Group.

In addition, the board of director will expect to transfer the listing from GEM to Main Board while the Group has fulfilled all the listing requirements of the Main Board.

SUBSEQUENT EVENT

There is no significant events occurring after the balance sheet date.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any 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 2011.

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 five members, Mr. Poon Lai Yin, Michael, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor, Mr. Wang Zhigang and Mr. 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. Five audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2011 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 five members, Mr. Chan Tin Lup, Trevor, Mr. Poon Lai Yin, Michael and Mr. Ng Tat Fai, Mr. Tou Kin Chuen and Mr. Wang Zhigang all of them are independent non-executive Directors and Mr. Chan Tin Lup, Trevor 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, 3 June 2011

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Chau Cheok Wa, Ms. Yeung So Lai, Ms. Cheng Mei Ching and Mr. Lee Chi Shing, Caesar and five independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen, Mr. Wang Zhigang, Mr. Ng Tat Fai and Mr. Poon Lai Yin, Michael.