



Our Ref: 5S07230909

7 October 2021

The Board of Directors  
Sun International Group Limited  
Room 03, 26/F, One Harbour Square  
No. 181 Hoi Bun Road  
Kwun Tong, Kowloon  
HONG KONG

Dear Sirs,

**Sun International Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”)**  
**Profit Estimate for the Six Months Ended 30 September 2021**

We refer to the statement as set out in the announcement of the Company dated 7 October 2021 (the “**Profit Warning Announcement**”) in respect of the profit warning made by the directors of the Company, which contains an estimate of unaudited consolidated net loss of the Group attributable to owners of the Company for the six months ended 30 September 2021 (the “**Profit Estimate**”) as extracted below:

*“Based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the five months ended 31 August 2021, the business operation and information of the Group currently available to the board (the “Board”) of directors (the “Directors”) of the Company as at the date of this announcement, the Group is expected to record a loss attributable to owners of the Company of not less than HK\$16 million for the six months ended 30 September 2021, as compared to a profit attributable to owners of the Company of approximately HK\$12.1 million for the period ended 30 September 2020.*

*Following the commencement of its cryptocurrency mining activities in Kazakhstan in July 2021, the Group has successfully mined Bitcoin through its cryptocurrency mining activities. As at the date of this announcement, the Group has disposed of part of Bitcoin mined. Notwithstanding the increase in revenue from disposal of Bitcoin, the Group is expected to record a loss attributable to owners of the Company for the six months ended 30 September 2021 mainly attributable to following factors:*

- (i) *the Group is expected to recognise an impairment loss for expected credit losses on trade receivables during the six months ended 30 September 2021 instead of the reversal of impairment losses for expected credit losses on trade receivables of approximately HK\$16.2 million for the six months ended 30 September 2020;*

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- (ii) the Group established the cryptocurrency mining segment during the six months ended 30 September 2021 and the Group incurred non-recurring expenses of approximately HK\$7.8 million during the relocation of the equipment for cryptocurrency mining from the People's Republic of China to Kazakhstan. As a result, it is preliminarily expected that the cryptocurrency mining segment of the Group would incur a segment loss of approximately HK\$6.4 million for the six months ended 30 September 2021; and*
- (iii) the overall decrease in total revenue from financial and equine services segment for the six months ended 30 September 2021 comparing with the six months ended 30 September 2020."*

We have been advised by the directors of the Company that the Profit Estimate was prepared based on the unaudited consolidated management accounts of the Group for the five months ended 31 September 2021 and an estimate of the consolidated results of the Group for the remaining one month ended 30 September 2021, which had been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the published annual report of the Company for the year ended 31 March 2021, except for certain new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are applicable for the Group's annual period beginning on 1 April 2021.

The Profit Estimate is prepared by the directors of the Company and constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers issued by The Securities and Futures Commission.

### **Directors' Responsibilities**

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated management accounts of the Group for the five months ended 31 August 2021 and an estimate of the consolidated results of the Group for the remaining one month ended 30 September 2021.

The Company's directors are solely responsible for the Profit Estimate.

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**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors of the Company and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

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### **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors of the Company in the Profit Warning Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2021, except for certain new and amendments to HKFRSs issued by the HKICPA which are applicable for the Group's annual period beginning on 1 April 2021.

Yours faithfully,



Certified Public Accountants  
Hong Kong