SUGA INTERNATIONAL HOLDINGS LIMITED
信佳國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 912)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

FINANCIAL HIGHLIGHTS

– Revenue amounted to HK$637.5 million (2010: HK$595.7 million)

– Gross profit was HK$86.4 million (2010: HK$77.2 million)

– Profit attributable to equity holders was HK$48.0 million (2010: HK$40.5 million)

– Basic earnings per share was HK17.66 cents (2010: HK15.09 cents)

– The Board proposed an interim dividend of HK7.0 cents per share (2010: HK5.0 cents)

INTERIM RESULTS

The Board of Directors (the "Board") of Suga International Holdings Limited ("Company") would like to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together "SUGA" or the "Group") for the six months ended 30 September 2011:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		Six months ended 30 September	
		2011	2010
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**637,470**	595,687
Cost of sales	*4*	**(551,044)**	(518,443)
Gross profit		**86,426**	77,244
Other income		**568**	416
Other loss		**(1,903)**	-
Distribution and selling expenses	*4*	**(7,004)**	(7,813)
General and administrative expenses	*4*	**(26,130)**	(25,102)
Operating profit		**51,957**	44,745
Finance income	*5*	**1,204**	826
Finance costs	*5*	**(465)**	(519)
Finance income – net	*5*	**739**	307
Profit before income tax		**52,696**	45,052
Income tax expense	*6*	**(4,660)**	(4,519)
Profit for the period		**48,036**	40,533
Attributable to:			
Equity holders of the Company		**48,036**	40,533
Earnings per share for profit attributable to the equity holders of the Company during the period			
– Basic (HK cents)	*7*	**17.66**	15.09
– Diluted (HK cents)	*7*	**17.61**	15.00
Interim dividend	*8*	**19,061**	13,542

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**48,036**	40,533
Other comprehensive income:		
Exchange difference arising on translation of foreign subsidiaries	**-**	2,200
Exchange reserve released upon disposal of a foreign subsidiary	**(429)**	-
Fair value loss on available-for-sale financial assets	**(1,434)**	-
Other comprehensive (loss) / income for the period, net of tax	**(1,863)**	2,200
Total comprehensive income attributable to equity holders of the Company for the period	**46,173**	42,733

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	**As at 30 September 2011 HK$'000 (Unaudited)**	As at 31 March 2011 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**118,382**	113,367
Land use rights		**4,158**	4,225
Goodwill		**1,059**	1,059
Interest in an associate		**–**	–
Interest in a jointly controlled entity		**–**	–
Available-for-sale financial assets		**2,716**	4,150
Financial assets at fair value through profit or loss		**15,163**	11,481
Bonds investments		**14,011**	14,011
Deferred income tax assets		**4,200**	1,888
		159,689	150,181
Current assets			
Inventories		**181,624**	155,062
Trade and other receivables	*9*	**173,457**	144,403
Tax recoverable		**406**	366
Amount due from a jointly controlled entity		**20,936**	26,112
Derivative financial instruments		**-**	498
Cash and cash equivalents		**148,546**	161,149
		524,969	487,590
Total assets		**684,658**	637,771
LIABILITIES			
Non-current liabilities			
Bank borrowings		**28,814**	33,499
Deferred income tax liabilities		**2,190**	2,275
		31,004	35,774
Current liabilities			
Trade and other payables	*10*	**214,107**	169,623
Income tax payable		**21,577**	17,661
Bank borrowings		**10,476**	12,755
Derivative financial instruments		**2,513**	-
		248,673	200,039
Total liabilities		**279,677**	235,813

	Note	As at 30 September 2011 HK$'000 (Unaudited)	As 31 March 2011 HK$'000 (Audited)
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**27,229**	27,174
Other reserves		**109,263**	110,764
Retained earnings			
– Proposed dividend		**19,061**	43,514
– Others		**249,428**	220,506
Total equity		**404,981**	401,958
Total equity and liabilities		**684,658**	637,771
Net current assets		**276,296**	287,551
Total assets less current liabilities		**435,985**	437,732

Notes:

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2. ACCOUNTING POLICIES

The accounting policies and method of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2011, except as mentioned below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

In 2011, the Group has adopted the following revised standard and amendment to standard issued by HKICPA, which are mandatory for the first time for the financial year beginning 1 April 2011. The adoption of these revised standards and amendments to standards has not had any significant impact on the Group's reported results and financial position.

HKAS 24 (Revised)	Related Party Disclosures
HKAS 34 (Amendment)	Interim Financial Reporting

(b) Amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

The following revised standard, amendments to standards and interpretations are effective for the financial year beginning 1 April 2011 but not relevant to the Group.

HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosure for first-time adopters
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

Third improvements to HKFRS (2010) were issued in May 2010 by HKICPA. All improvements are effective in the financial year of 2012.

(c) Amendments to standards and interpretations that have been issued but are not effective

The following revised standards and amendments to standards have been issued but are not effective for the financial year beginning 1 April 2011 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
HKFRS 7 (Amendment)	Disclosures - Transfers of Financial Assets	1 July 2011
HKFRS 9	Financial Instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2012
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013

3. SEGMENT INFORMATION

(a) Revenue recognised during the period is as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of goods:		
– electronic products	**608,900**	564,255
– moulds and plastic products	**28,570**	31,432
	637,470	595,687

(b) Segment information

The chief operating decision–maker has been identified as the executive directors of the Group (collectively referred to as the "CODM") that make strategic decisions. The CODM reviews the internal reporting of the Group in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a product perspective and assesses separately the performance of electronic products and moulds and plastic products.

The CODM assesses the performance of the operating segments based on a measure of the result of reportable segment. Finance income and costs, corporate income and expenses and fair value loss of financial assets are not included in the results for each operating segment reviewed by the CODM. Other information provided to the CODM is measured in a manner consistent with that in financial statements.

Revenues from external customers are after elimination of inter-segment revenue. Sales between segments are carried out at mutually agreed terms. The revenue from external parties reported to CODM is measured in a manner consistent with that in the consolidated income statement.

Assets of reportable segments exclude deferred income tax assets, tax recoverable and corporate assets, all of which are managed on a central basis. Liabilities of reportable segment exclude current and deferred income tax liabilities and corporate liabilities. These are part of the reconciliation to total balance sheet assets and liabilities.

The segment information provided to the CODM for the reportable segments for the period ended 30 September 2011 and 2010 is as follows:

	Six months ended 30 September 2011			
	Electronic products *HK$'000* (Unaudited)	Moulds and plastic products *HK$'000* (Unaudited)	Elimination *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Revenue				
Revenue from external customers	**608,900**	**28,570**	**–**	**637,470**
Inter-segment revenue	**–**	**4,458**	**(4,458)**	**–**
	608,900	**33,028**	**(4,458)**	**637,470**
Results of reportable segments	**48,381**	**4,629**	**–**	**53,010**
A reconciliation of results of reportable segments to profit for the period is as follows:				
Results of reportable segments				**53,010**
Unallocated income				**282**
Other loss				**(1,903)**
Other income				**568**
Operating profit				**51,957**
Finance income				**1,204**
Finance costs				**(465)**
Profit before income tax				**52,696**
Income tax expense				**(4,660)**
Profit for the period				**48,036**

	Six months ended 30 September 2011			
	Electronic products *HK$'000* (Unaudited)	Moulds and plastic products *HK$'000* (Unaudited)	Other Segments *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Other segment information				
Depreciation on property, plant and equipment	**3,848**	**1,015**	**1, 586**	**6,449**
Amortisation of land use rights	**–**	**27**	**40**	**67**
Additions to non-current assets (other than financial assets and deferred income tax assets)	**10,798**	**632**	**34**	**11,464**
Income tax expense	**3,792**	**957**	**(89)**	**4,660**

	Six months ended 30 September 2010			
	Electronic products *HK$'000* (Unaudited)	Moulds and plastic products *HK$'000* (Unaudited)	Elimination *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Revenue				
Revenue from external customers	564,255	31,432	–	595,687
Inter-segment revenue	–	3,918	(3,918)	–
	564,255	35,350	(3,918)	595,687
Results of reportable segments	43,049	3,862	–	46,911

A reconciliation of results of reportable segments to profit for the period is as follows:

Results of reportable segments	46,911
Unallocated expenses	(2,582)
Other income	416
Operating profit	44,745
Finance income	826
Finance costs	(519)
Profit before income tax	45,052
Income tax expense	(4,519)
Profit for the period	40,533

	Six months ended 30 September 2010			
	Electronic products *HK$'000* (Unaudited)	Moulds and plastic products *HK$'000* (Unaudited)	Other Segments *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Other segment information				
Depreciation on property, plant and equipment	3,089	1,272	1,453	5,814
Amortisation of land use rights	–	27	40	67
Additions to non-current assets (other than financial assets and deferred income tax assets)	11,048	884	71	12,003
Income tax expense	3,936	685	(102)	4,519

The segment assets and segment liabilities as at 30 September 2011 and 31 March 2011 and the reconciliation to the total assets and total liabilities are as follows:

	As at 30 September 2011		
	Electronic products *HK$'000* **(Unaudited)**	**Moulds and plastic products** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment assets	**550,011**	**42,822**	**592,833**
Deferred income tax assets			**4,200**
Tax recoverable			**406**
Unallocated:			
Property, plant and equipment			**51,456**
Other investments			**31,890**
Other unallocated assets			**3,873**
Total assets per condensed consolidated balance sheet			**684,658**
Segment liabilities	**207,963**	**4,488**	**212,451**
Income tax payable			**21,577**
Deferred income tax liabilities			**2,190**
Unallocated:			
Bank borrowings			**39,290**
Other unallocated liabilities			**4,169**
Total liabilities per condensed consolidated balance sheet			**279,677**

	As at 31 March 2011		
	Electronic products *HK$'000* (Audited)	Moulds and plastic products *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment assets	508,185	41,517	549,702
Deferred income tax assets			1,888
Tax recoverable			366
Unallocated:			
Property, plant and equipment			52,579
Other investments			29,642
Other unallocated assets			3,594
Total assets per consolidated balance sheet			637,771
Segment liabilities	164,286	6,576	170,862
Income tax payable			17,661
Deferred income tax liabilities			2,275
Unallocated:			
Bank borrowings			42,862
Other unallocated liabilities			2,153
Total liabilities per consolidated balance sheet			235,813

The Company is domiciled in Bermuda. An analysis of the Group's revenue from external customers by country of destination for the period ended 30 September 2011 and 2010 is as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The United States of America	**198,645**	196,247
United Kingdom	**157,221**	187,198
Japan	**129,587**	99,523
PRC (including Hong Kong)	**65,001**	56,685
Australia	**21,931**	37,688
Others	**65,085**	18,346
	637,470	595,687

An analysis of the Group's non-current assets, excluding deferred income tax assets by geographical locations is as follows:

	As at 30 September 2011	As at 31 March 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**87,791**	86,992
Mainland China	**67,472**	61,079
Macao	**226**	222
	155,489	148,293

For the six months ended 30 September 2011, external revenue of approximately HK$370,805,000 (2010: HK$349,089,000) is generated from four (2010: three) major customers, each of which accounts for 10% or more of the Group's external revenue. The revenue is attributable to the segment of electronic products.

4. EXPENSES BY NATURE

Expenses included in cost of sales, distribution and selling expenses and general and administrative expenses are analysed as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories	**492,920**	466,344
Depreciation of property, plant and equipment	**6,449**	5,814
Amortisation of land use rights	**67**	67
Employee benefit expense (including directors' emoluments)	**58,392**	49,497
Reversal of provision for impairment of trade receivables	**(91)**	(557)
Fair value gain on derivative financial instruments	**–**	(79)
Other expenses	**26,441**	30,272
Total cost of sales, distribution and selling expenses and general and administrative expenses	**584,178**	551,358

5. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income from:		
- bank deposits	**733**	826
- bonds investments	**471**	–
Finance income	**1,204**	826
Interest on bank borrowings	**(465)**	(519)
Finance income – net	**739**	307

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– Hong Kong profits tax	**3,732**	2,557
– Income tax outside Hong Kong	**3,325**	2,061
	7,057	4,618
Deferred income tax relating to the origination and reversal of temporary differences	**(2,397)**	(99)
	4,660	4,519

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (HK$'000)	**48,036**	40,533
Weighted average number of ordinary shares in issue ('000)	**272,035**	268,661
Basic earnings per share (HK cents)	**17.66**	15.09

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the share options granted to employees. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (HK$'000)	**48,036**	40,533
Weighted average number of ordinary shares in issue ('000)	**272,035**	268,661
Adjustments for share options ('000)	**714**	1,525
Weighted average number of ordinary shares for diluted earnings per share ('000)	**272,749**	270,186
Diluted earnings per share (HK cents)	**17.61**	15.00

8. INTERIM DIVIDENDS

The Board has resolved to declare an interim dividend of HK7.0 cents per share (2010: HK5.0 cents) for the six months ended 30 September 2011 to shareholders whose names appear on the register of members of the Company on 14 December 2011. The interim dividend will be paid on or before 21 December 2011.

9. TRADE AND OTHER RECEIVABLES

Trade receivables are aged as follows:

	As at 30 September 2011 *HK$'000* (Unaudited)	As at 31 March 2011 *HK$'000* (Audited)
0 to 30 days	**145,655**	103,372
31 to 60 days	**8,630**	13,807
61 to 90 days	**1,869**	5,386
91 to 180 days	**563**	1,636
Over 180 days	**4,637**	4,450
	161,354	128,651
Less: Provision for impairment	**(3,535)**	(3,626)
Trade receivables, net	**157,819**	125,025
Prepayments	**1,055**	792
Rental and other deposits	**1,517**	1,257
Value added tax receivables	**9,240**	9,626
Others	**3,826**	7,703
	173,457	144,403

The Group generally granted credit terms of 30 days to its customers.

10. TRADE AND OTHER PAYABLES

Trade payables are aged as follows:

	As at 30 September 2011 *HK$'000* (Unaudited)	As at 31 March 2011 *HK$'000* (Audited)
0 to 30 days	**169,749**	132,455
31 to 60 days	**4,585**	10,215
61 to 90 days	**19,363**	4,187
91 to 180 days	**1,887**	1,799
Over 180 days	**2,878**	4,821
Trade payables	**198,462**	153,477
Salaries and staff welfare payable	**9,195**	6,722
Accrued expenses	**2,626**	4,276
Others	**3,824**	5,148
	214,107	169,623

CHAIRMAN'S MESSAGE

With parts of Europe and North America continuing to be affected by economic uncertainties leading to the waning of consumer confidence, this invariably created a challenging environment for many manufacturers, which was compounded by tightening credit. Nevertheless, SUGA was able to maintain stable growth during the period under review, thus substantiating the effectiveness of the management's strategies and foresight to explore niche markets, bringing about the creation of a more diversified product portfolio. With increased orders from existing and new clients, the Group recorded turnover of approximately HK$637.5 million, up 7.0% from HK$595.7 million for the same period last year. Gross profit was HK$86.4 million (1H2010/11: HK$77.2 million) while gross profit margin stood at 13.6% (1H2010/11: 13.0%). Despite an increase in production cost, the Group's ability to implement effective cost control measures enabled profit attributable to shareholders to reach HK$48.0 million, an increase of 18.5% over last year's HK$40.5 million. Net profit margin increased to 7.5% (1H2010/11: 6.8%) and basic earnings per share were HK17.66 cents (1H2010/11: HK15.09 cents)

BUSINESS OVERVIEW

Electronic products

The electronic products segment recorded sales of HK$608.9 million, up 7.9% from HK$564.3 million recorded for the same period last year, accounting for 95.5% of the Group's total sales.

Revenue from professional audio equipment realized strong year-on-year growth as we received increased orders from existing and new clients. Benefiting from earning wider recognition from several key market players, the revenue base of our professional audio equipment expanded steadily. Consequently, the Group will direct more effort towards exploring new cooperative ties in order to capture still greater opportunities. General consumer electronic products, including telecommunications products, also recorded satisfactory growth. Last year, we worked closely with a renowned Japanese customer to prepare a new telecommunications device. This product has been well received by end-users and will gradually supersede an older model.

Revenue from interactive educational products remained steady, and during the first half year, we worked with our partner to prepare for a new generation of products. Such products will be launched in the upcoming six months and we anticipate receiving more orders as a result. Pet training devices experienced a decline in revenue during the review period owing to weaker consumption sentiment resulting from economic uncertainties, as well as customers tending to maintain minimal inventory levels as part of inventory management. We anticipate sales to pick up once market uncertainty dissipates and our pet training devices partner replenishes stock to a more reasonable level. Sales from the auto-fare collection system business were flat as our principal customer elected to postpone some projects until a later time.

With respect to solar inverters – our newest product offering – sales performance was satisfactory although the size of orders was comparatively smaller than that of our other businesses. This new area of activity has further expanded our income stream and product offering. We remain optimistic about its potential knowing that renewable energy has been enjoying growing acceptance across many sectors.

Moulds and plastic products

Sales derived from the moulds and plastic segment dropped by 9.1% to HK$28.6 million and accounted for 4.5% of the Group's total sales. Management will continue to bolster the efficiency of this segment in order to maintain a satisfactory margin level, which remains a prime objective.

PROSPECTS

We remain cautiously optimistic about the macro business environment given that the Group possesses a well diversified product portfolio, unique business model and loyal support from customers. Still, we will have to remain resilient ahead of upcoming economic challenges, and will be able to do so by continuing to explore opportunities that provide a fresh impetus for growth.

Professional audio equipment and telecommunication products are anticipated to maintain their respective growth momentum and will be key growth drivers in the second half year. Concurrently, a new generation of interactive educational products will be launched, and we are confident about their performance as well. Pet training devices and auto-fare collection systems are expected to continue performing in a stable manner, and we believe orders from these two segments will pick up significantly once the global economy returns to a healthier state.

Besides organic growth in established businesses, SUGA will seek to advance its presence in the PRC pet market. During the last fiscal year, the Group established three pet stores in Shenzhen under the "Losun" brand name, and in the past six months, we have sought to enrich the customer experience by enhancing the efficiency of operations and improving service quality. The Group has also directed efforts toward optimizing internal inventory control, expanding the supplier network and providing greater staff training. Fully aware of China's robust economic health and rising per capita income, we are sanguine about the mainland consumer market and will cautiously expand our presence when deemed appropriate.

In addition to augmenting our presence in China, efforts will be directed toward nurturing new business. For example, professional audio equipment delivered strong results despite lackluster economic conditions, reporting a rise in orders from existing and new customer. We will capitalize on our expertise to attract still more customers from this segment as opportunities develop.

The Group's cash position remained very healthy in spite of the credit crisis in certain Western countries and more restrictive monetary policies imposed in China. Currently, SUGA has a cash balance of HK$148.5 million (31 March 2011:HK$161.1 million) and considerable banking facilities at its disposal, affording it with the flexibility to expand operations if so desired.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2011, the Group has current assets of HK$525.0 million and current liabilities of HK$248.7 million. The current ratio was 2.11 (31 March 2011: 2.44).

Bank borrowings were HK$39.3 million as at 30 September 2011 (31 March 2011: HK$46.3million). The decrease in bank borrowings was due to the repayments of long-term bank loan during the period. Gearing ratio (calculated by dividing total bank borrowings by total equity) was 9.7% (31 March 2011: 11.5%). Despite paying out a special dividend of HK$21.8 million during the period, the Group was able to maintain a net cash balance of HK$109.2 million as at 30 September 2011 (31 March 2011: HK$114.8 million).

As at 30 September 2011, the Group had aggregate facilities of approximately HK$374.6 million (31 March 2011: HK$389.1 million) from its principal bankers for overdrafts, loans and trade financing, with unused facilities of HK$317.6 million (31 March 2011: HK$321.7 million).

The Group generally finances its business operations by internally generated resources and banking facilities provided by its principal bankers in Hong Kong. Banking facilities used by the Group include revolving bank loans, trust receipt loans, overdrafts, leasing and term loans, which are primarily on floating interest rates.

FOREIGN EXCHANGE EXPOSURE

The Group's transaction and monetary assets are principally dominated in Renminbi, Hong Kong dollars and United States dollars. The Group has not experienced any difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the six months ended 30 September 2011.

During the six months ended 30 September 2011, the Group has entered into several foreign exchange contracts to manage the currency translation risk of Renminbi against United States dollars. All these foreign exchange contracts were for managing purpose and it is the policy of the Group not to enter into any derivative contracts purely for speculative activities. The fair value loss on derivative instruments for the six months ended 30 September 2011 was HK$1.9 million.

PLEDGE OF ASSETS

As at 30 September 2011, the Group had pledged its office premise located at 22nd floor, tower B, Billion Centre, Kowloon Bay together with 4 car parking spaces to secure a bank mortgage loan of HK$24.9 million (31 March 2011: HK$26.2 million) for financing the acquisition of the office premise and car parking spaces. Other than the said mortgage loan, the Group had not pledged any of its assets as securities for the banking facilities granted to the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2011, the Group had no outstanding capital commitments (31 March 2011: Nil). Corporate guarantees given to banks to secure the borrowings granted to subsidiaries as at 30 September 2011 amounted to HK$57.0 million (31 March 2011: HK$67.4 million) and the Group did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 30 September 2011 the Group employed 2,022 employees, of which 49 were based in Hong Kong and Macao while the rest were mainly in Mainland China. Remuneration policy was reviewed regularly, making reference to current legislation, market condition and both the individual and company performance. In addition to salaries and other usual benefits like annual leave, medical insurance and various mandatory pension schemes, the Group also provides educational sponsorship subsidies, discretionary performance bonus and share options. A share option scheme was adopted on 17 September 2002 which is valid and effective for a period of 10 years from the adoption date. The principal terms of the share option scheme are as disclosed in the Company's 2010/11 Annual Report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company did not redeem any of its shares during the period. Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the period.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company complied with the code of provisions as set out in the Appendix 14 "Code of Corporate Governance Practices" to the Listing Rules (the "Code") throughout the period, except the deviation from the code provision A.2.1. According to the code provision A.2.1 of the Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Up to the date of this interim report, the Company does not have a separate Chairman and Chief Executive Officer and Dr. Ng Chi Ho currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies. Going forward, the Group will periodically review the effectiveness of this arrangement and consider appointing an individual as Chief Executive Officer when it thinks appropriate.

COMPLIANCE WITH THE MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Model Code"). Having made specific enquiry of all directors, the directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2011.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed, among other things, the internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 September 2011.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK7.0 cents per share for the six months ended 30 September 2011 (2010: HK5.0 cents) payable to shareholders whose names appear on the register of members of the Company on 14 December 2011. The interim dividend will be paid on or before 21 December 2011.

CLOSURE OF REGISTER

The register of shareholders of the Company will be closed from 12 December 2011 to 14 December 2011 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712 – 16, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 9 December 2011 for registration.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the financial and other related information of the Company required by the Listing Rules will be published on the Stock Exchange's designated website at (www.hkexnews.hk) and the Company's website at (www.suga.com.hk). The Interim report will be dispatched to the shareholders and will be available on the designated website of the Stock Exchange and the website of the Company in due course.

By Order of the Board
NG Chi Ho
Chairman

Hong Kong, 23 November 2011

The Directors of the Company as at the date of this announcement are Dr. Ng Chi Ho and Mr. Ma Fung On as executive directors; Mr. Lee Kam Hung as non-executive director; Professor Wong Sook Leung, Joshua, Mr. Leung Yu Ming, Steven and Mr. Chan Kit Wang as independent non-executive directors.