



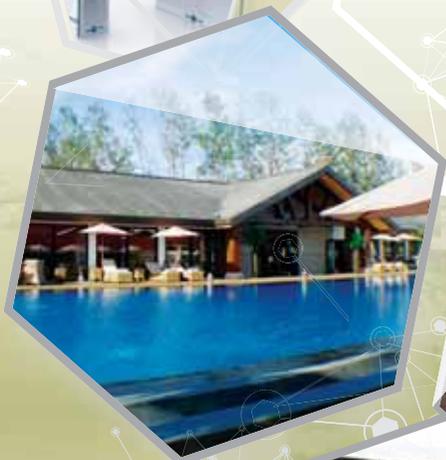
Sun International Resources Limited

太陽國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8029

*Explore & Magnify
the Potential of Nature*



Interim Report 2013

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 report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This report will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of posting and on the designated website of this Company at <http://www.sun8029.com/>.

FINANCIAL SUMMARY (UNAUDITED)

- Turnover of the Group was approximately HK\$78,688,000 for the six months ended 30 September 2013, representing a decrease of approximately 33% from the corresponding period in the previous fiscal year.
- For the six months ended 30 September 2013, gross profit of the Group was approximately HK\$54,464,000 as compared to the gross profit of approximately HK\$101,976,000 from the corresponding period in the previous fiscal year.
- Loss attributable to shareholders of the Group for the six months ended 30 September 2013 amounted to approximately HK\$32,327,000 as compared to net profit of approximately HK\$52,717,000 from the corresponding period in the previous fiscal year.
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

CONSOLIDATED INTERIM RESULTS FOR 2013 (UNAUDITED)

The board of Directors (the “Board”) of the Company hereby announces the unaudited consolidated results of the Group for the three months and six months ended 30 September 2013, together with the comparative unaudited figures for the corresponding period in 2012 were as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2013

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Revenue	2	44,156,652	58,913,144	78,687,938	117,589,202
Direct costs		(14,548,777)	(7,895,758)	(24,223,493)	(15,613,523)
Gross profit		29,607,875	51,017,386	54,464,445	101,975,679
Other operating income		884,430	332,437	2,233,246	1,429,271
Administrative expenses		(62,218,816)	(20,544,878)	(84,777,001)	(41,249,405)
Fair value change in intangible assets		-	(3,705,399)	-	(3,705,399)
Share of losses of associates		(70,215)	(246,667)	(211,956)	(414,443)
Finance costs		(944,917)	(1,595,342)	(8,520,894)	(3,195,538)
(Loss)/Profit before taxation	3	(32,741,643)	25,257,537	(36,812,160)	54,840,165
Income tax expense	4	(576,338)	(1,580,246)	(1,091,978)	(5,834,096)
(Loss)/Profit for the period		(33,317,981)	23,677,291	(37,904,138)	49,006,069
Other comprehensive (loss)/income:					
Currency translation differences		(8,070,468)	(372,805)	(9,744,774)	(1,167,243)
Other comprehensive (loss)/income for the period		(8,070,468)	(372,805)	(9,744,774)	(1,167,243)
Total comprehensive (loss)/income for the period		(41,388,449)	23,304,486	(47,648,912)	47,838,826

CONSOLIDATED INTERIM RESULTS FOR 2013 (UNAUDITED)

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
(Loss)/Profit attributable to:					
Equity holders of the Company		(27,714,176)	25,627,840	(32,327,469)	52,716,715
Non-controlling interests		(5,603,805)	(1,950,549)	(5,576,668)	(3,710,646)
		(33,317,981)	23,677,291	(37,904,137)	49,006,069
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(34,933,261)	25,283,195	(41,747,373)	51,636,670
Non-controlling interests		(6,455,188)	(1,978,709)	(5,901,539)	(3,797,844)
		(41,388,449)	23,304,486	(47,648,912)	47,838,826
Dividend	5	-	-	-	-
Earnings per share					
Basic (HK cents per share)	6	(2.99)	2.76	(3.49)	5.68
Diluted (HK cents per share)		n/a	2.76	n/a	5.65

CONSOLIDATED INTERIM RESULTS FOR 2013 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Notes	At 30 September 2013 HK\$ (Unaudited)	At 31 March 2013 HK\$ (Audited)
Non-current assets			
Intangible assets	7	528,147,291	533,000,000
Goodwill	8	245,754,367	229,884,229
Property, plant and equipment	9	75,804,957	50,632,022
Investment properties	10	70,398,841	74,000,000
Stallions		68,286,972	–
Interest in associate		277,334,002	277,545,958
		1,265,726,430	1,165,062,209
Current assets			
Inventories		93,558,964	25,436,616
Trade receivables	11	50,936,074	79,412,065
Prepayments, deposits and other receivables	12	30,934,302	17,971,873
Bank balances and cash		23,416,597	172,901,735
		198,845,937	295,722,289
Current liabilities			
Trade payables	13	12,117,468	7,710,773
Accruals and other payables		52,249,738	31,137,855
Deposits received		131,623	1,083,336
Convertible notes	15	43,370,184	45,123,469
Tax payables		2,234,078	3,724,988
		110,103,091	88,780,421

CONSOLIDATED INTERIM RESULTS FOR 2013 (UNAUDITED)

	<i>Notes</i>	At 30 September 2013 HK\$ (Unaudited)	At 31 March 2013 HK\$ (Audited)
Net current assets		88,742,846	206,941,868
Total asset less current liabilities		1,354,469,276	1,372,004,077
Non-current liabilities			
Amount due to a shareholder	14	25,350,000	25,350,000
Long-term borrowing		30,114,110	–
Promissory note	16	140,000,000	140,000,000
Deferred tax	17	126,156,560	126,156,560
		321,620,670	291,506,560
		1,032,848,606	1,080,497,517
Capital and reserves			
Share capital	18	37,104,000	37,104,000
Reserves		814,156,206	855,903,578
Non-controlling interest		181,588,400	187,489,939
		1,032,848,606	1,080,497,517

CONSOLIDATED INTERIM RESULTS FOR 2013 (UNAUDITED)

CONDENSED CONSOLIDATION INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Attributable to equity holders of the Company										
	Share Capital	Share Premium	Capital		Share Option Reserve	Convertible Notes Reserve	Exchange Translation Reserve	Accumulated Profits/ (Loss)	Sub-total	Non- Controlling Interests	Total
			Redemption Reserve	Merger Deficit							
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
At 1 April 2012 (Audited)	37,104,000	747,247,169	254,600	369,866	38,254,919	14,039,644	(8,627,242)	395,375,807	1,224,018,763	395,886,575	1,619,905,338
Profit for the six months ended 30 September 2012	-	-	-	-	-	-	-	52,716,715	52,716,715	(2,357,249)	50,359,466
Other comprehensive income: Currency translation differences	-	-	-	-	-	-	388,799	-	388,799	(2,202,611)	(1,813,812)
Total comprehensive income for the six months ended 30 September 2012	-	-	-	-	-	-	388,799	52,716,715	53,105,514	(4,559,860)	48,545,654
At 30 September 2012 (Unaudited)	37,104,000	747,247,169	254,600	369,866	38,254,919	14,039,644	(8,238,443)	448,092,522	1,277,124,277	391,326,715	1,668,450,992
At 1 April 2013 (Audited)	37,104,000	747,247,169	254,600	369,866	38,254,919	9,694,384	(7,749,706)	67,832,347	893,007,579	187,469,939	1,080,497,518
Profit for the six months ended 30 September 2013	-	-	-	-	-	-	-	(32,327,469)	(32,327,469)	(5,576,668)	(37,904,137)
Other comprehensive income: Currency translation differences	-	-	-	-	-	-	(9,419,904)	-	(9,419,904)	(324,871)	(9,744,775)
Total comprehensive income for the six months ended 30 September 2013	-	-	-	-	-	-	(9,419,904)	(32,327,469)	(41,747,373)	(5,901,539)	(47,648,912)
At 30 September 2013 (Unaudited)	37,104,000	747,247,169	254,600	369,866	38,254,919	9,694,384	(17,169,610)	35,504,878	851,260,206	181,568,400	1,032,848,606

**CONSOLIDATED INTERIM RESULTS
FOR 2013 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	For the six months ended 30 September	
	2013	2012
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Net cash (used in)/ from operating activities	(56,834,160)	77,372,670
Net cash (used in) investing activities	(122,264,081)	(30,278,626)
Net cash from/(used in) financing activities	30,114,110	(22,395)
Net (decrease)/increase in cash and cash equivalent	(148,984,131)	47,071,649
Cash and cash equivalent at the beginning of the period	172,901,735	57,501,651
Effect of exchange rate changes	(501,007)	(31,166)
Cash and cash equivalent at the ended of the period	23,416,597	104,542,134

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 34 “Interim Financial Reporting” 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. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2013.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 April 2010, the adoption has no significant impact on the Group’s results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

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 2013.

The unaudited consolidated results of the Group for the six months ended 30 September 2013 are unaudited but have been reviewed by the Company’s Audit Committee and auditors.

2. REVENUE

Revenue represents the net amounts received and receivable from services provided by the Group to outside customers.

Segment information is presented by way in two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

Business segments

The Group’s operating business are structured and managed separately, according to the nature of their operations and services they provided. Each of the Group’s business segments represents a strategic business unit that offers services which are subject to risk and returns that are different from those of the other business segments.

For management purposes, the Group is currently organized into five business segments – computer software solution and services, hotel services, equine services, mining and others.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

2. REVENUE (Continued)

Segment Information

For the period ended 30 September 2013 (Unaudited)

	Computer software solution and services HK\$	Hotel services HK\$	Equine services HK\$	Mining services HK\$	Others HK\$	Consolidated HK\$
Turnover						
External sales	49,357,370	18,889,725	10,440,843	-	-	78,687,938
Result						
Segment result	24,955,301	(4,228,867)	(29,016,656)	(9,807,908)	(5,198,485)	(23,296,615)
Unallocated corporate income						9,741
Unallocated corporate expenses						(5,004,393)
Finance cost						(8,520,894)
Profit before tax						(36,812,161)
Income tax expense						(1,091,977)
Loss for the period						(37,904,138)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

2. REVENUE (Continued)

Segment Information (Continued)

For the period ended 30 September 2012 (Unaudited)

	Computer software solution and services HK\$	Hotel services HK\$	Equine services HK\$	Mining services HK\$	Others HK\$	Consolidated HK\$
Turnover						
External sales	74,996,989	42,592,213	-	-	-	117,589,202
Result						
Segment result	58,404,944	23,501,480	-	(13,103,792)	(8,158,568)	60,644,064
Unallocated corporate income						76
Unallocated corporate expenses						(2,608,848)
Finance cost						(3,195,127)
Profit before tax						54,840,165
Income tax expense						(5,834,096)
Profit for the period						49,006,069

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

2. REVENUE (Continued)

Geographical segments

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

Revenue from external customers

	For the six months ended 30 September	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Hong Kong	29,407,370	59,719,989
The Philippines	18,889,725	42,592,213
Macau	19,950,000	–
Australia	10,440,843	15,277,000
	78,687,938	117,589,202

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:

	Non-current assets	
	2013 HK\$	2012 HK\$
Hong Kong	481,840,911	652,422,813
The Philippines	125,187,016	162,593,381
Indonesia	540,137,358	1,104,930,092
Macau	133,003	152,815
Australia	118,428,141	–
	1,265,726,429	1,920,099,101

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

3. PROFIT BEFORE TAXATION

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

	For the three months ended 30 September		For the six months ended 30 September	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Employee benefits expense including those of directors – wages, salaries and others	11,349,896	9,772,918	21,507,709	18,770,123
Depreciation for property, plant and equipment				
– owned assets	3,137,688	3,186,594	5,847,202	5,096,768
– finance lease assets	–	1,962	–	18,401
Interest income	609,725	298,683	622,092	599,645

4. INCOME TAX EXPENSE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2012: 16.5%) and at the rates of taxation prevailing in the country in which the Group operates respectively.

	For the three months ended 30 September		For the six months ended 30 September	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Continuing operations				
Over-provision in prior year				
– Overseas taxation	–	(926,350)	(9,634)	(926,350)
Current income tax				
– Hong Kong profits tax	535,892	2,489,573	1,101,612	6,745,448
– Overseas taxation	40,446	17,023	–	14,998
	576,338	1,580,246	1,091,978	5,834,096

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

5. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

6. EARNINGS PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	(27,714,176)	25,627,840	(32,327,469)	52,716,715
	Number of shares		Number of shares	
	2013 (Unaudited)	2012 (Unaudited)	2013 (Unaudited)	2012 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	927,600,000	927,600,000	927,600,000	927,600,000
Effect of dilutive potential ordinary shares: share options	-	-	-	5,880,380
Weighted average number of ordinary shares for the purpose of diluted earnings per share	927,600,000	927,600,000	927,600,000	933,480,380

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

7. INTANGIBLE ASSETS

	Mining right HK\$ (Unaudited)
Valuation:	
Balance at 1 April 2013 and 30 September 2013	1,140,780,113
Exchange realignment	(4,862,421)
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Balance at 30 September 2013	1,135,917,692
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Amortisation:	
Balance at 1 April 2013	50,338,379
Provided during the period	–
Exchange realignment	(9,712)
<hr/>	
Balance at 30 September 2013	50,328,667
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Impairment:	
Balance at 1 April 2013	557,441,734
Provided during the period	–
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Balance at 30 September 2013	557,441,734
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Net book values:	
At 30 September 2013	528,147,291
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At 1 April 2013	533,000,000
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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

8. GOODWILL

	30 September 2013 HK\$	31 March 2013 HK\$
Cost		
Balance at 1 April 2013/2012	510,685,062	510,685,062
Charge for the year	15,870,138	–
Balance at 30 September/31 March	526,555,200	510,685,062
Impairment		
Balance at 1 April 2013/2012	280,800,833	91,145,764
Charge for the year	–	189,655,069
Balance at 30 September/31 March	280,800,833	280,800,833
Carrying amounts		
At 30 September/31 March	245,754,367	229,884,229

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units. The carrying amount of goodwill (net of accumulated impairment losses) as at 30 September 2013 is allocated as follow:

	30 September 2013 HK\$	31 March 2013 HK\$
Computer software solution and services	180,513,136	180,513,136
Hotel services	49,371,093	49,371,093
Equine breeding and agistment services	15,870,138	–
	245,754,367	229,884,229

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

9. PROPERTY, PLANT AND EQUIPMENT

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Cost:		
Balance at 1 April 2013/2012	79,495,683	50,251,149
Additions	35,131,004	31,259,558
Disposals	(427,915)	(374,080)
Disposal of subsidiaries	–	(763,177)
Written off	–	(16,863)
Exchange realignment	(5,356,676)	(860,904)
Balance at 30 September/31 March	108,842,096	79,495,683
Depreciation:		
Balance at 1 April 2013/2012	28,863,661	17,950,065
Depreciation charge	5,847,202	11,828,426
Elimination upon disposal	(364,481)	(210,332)
Elimination upon disposal of subsidiaries	–	(624,492)
Written off	–	(14,854)
Exchange realignment	(1,309,243)	(65,152)
Balance at 30 September/31 March	33,037,139	28,863,661
Net book values:		
At 30 September/31 March	75,804,957	50,632,022

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

10. INVESTMENT PROPERTIES

	30 September 2013 HK\$	31 March 2013 HK\$
Fair value		
At 1 April 2013/2012	74,000,000	76,652,958
Foreign currency realignment	(3,601,159)	3,550,215
Net decrease in fair value recognised in profit or loss	–	(6,203,173)
At 30 September/31 March 2013	70,398,841	74,000,000

The fair value of the Group's investment properties at 31 March 2013 has been arrived at on the basis of valuation carried out on that date by Messrs. Grant Sherman Appraisal Limited, independent qualified professional valuers not connected with the Group. Grant Sherman Appraisal Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

	30 September 2013 HK\$	31 March 2013 HK\$
Properties in the Philippines under:		
Medium-term lease	70,398,841	74,000,000

All of the Group's property interests was held under operating leases to earn rentals or for capital appreciation purposes, are measured using the fair value model and are classified and accounted for as investment properties.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

11. TRADE RECEIVABLES

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

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Within 30 days	9,362,773	19,400,409
31–60 days	8,278,509	17,039,733
61–90 days	16,220,335	12,370,523
Over 90 days	17,074,457	30,601,400
	50,936,074	79,412,065

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 directors of the Company consider that no provision for impairment shall be made to trade receivables that are past due as the credit quality of the debtors are sound. The directors of the Company consider that the carrying amounts of the Group's trade receivables at 30 September 2013 approximate to their fair values.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Deposits	6,014,983	3,285,438
Prepayments	5,059,750	1,273,800
Other receivables	19,859,569	13,412,635
	30,934,302	17,971,873

The Directors consider that the carrying amount of prepayments, deposits and other receivables approximates its fair value.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

13. TRADE PAYABLES

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

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Within 30 days	4,487,961	5,562,425
31–90 days	5,674,151	191,848
91–120 days	6,812	20,972
Over 180 days	1,948,544	1,935,528
	12,117,468	7,710,773

It is the Group's policy to lease certain of its fixed assets under finance leases. The average lease term is one year. For the year ended 30 September 2013, the average effective interest rate was 12.16% per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent lease payments.

14. AMOUNT DUE TO A RELATED COMPANY/A SHAREHOLDER

The amount due to a related company/a shareholder is unsecured, interest free and repayable on demand.

The Directors consider that the carrying amount of amount due to a related company/a shareholder approximates its fair value.

15. CONVERTIBLE NOTES

The Group and the Company

On 8 December 2010, the Company issued a convertible notes with a principal amount of RMB130,000,000, which is interest bearing at 8% per annum, payable annually in arrears. The convertible notes due on 7 December 2013 is convertible into fully paid ordinary shares with a par value of HK\$0.04 each of the Company at an initial conversion price of HK\$2 per share, subject to adjustment. The effective interest rate is 8.54%. During the year ended 31 March 2013, part of the convertible note with a principal amount of RMB32,000,000 (2012: RMB65,000,000) was redeemed.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

15. CONVERTIBLE NOTES (Continued)

The Group and the Company (Continued)

The convertible notes contain liability and equity components and redemption option. The equity component is presented in equity heading "convertible notes reserve" and the redemption option is presented in current assets heading "derivative financial instruments".

The fair value of the liability component of the convertible notes at 30 September 2013 was determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan at the end of the reporting period.

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Balance at 1 April 2013/2012	45,123,469	81,347,650
Early redemption of convertible notes	–	(39,210,432)
Interest expenses paid	–	(3,201,900)
Interest expenses charged	–	5,713,406
Interest expenses payable	1,656,785	–
Change in fair value	–	109,017
Foreign currency realignment	(3,410,070)	365,728
	43,370,184	45,123,469

16. PROMISSORY NOTE

	30 September 2013 HK\$	31 March 2013 HK\$
Non-current	140,000,000	140,000,000

At 30 September 2013, the promissory note was unsecured, interest free and will mature on 31 March 2015.

The directors consider that the carrying amount of promissory note approximates to its fair value.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

17. DEFERRED TAX

The following are major deferred tax liabilities recognised and movements thereon during the period/year:

	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Balance at 1 April 2013/2012	126,156,560	265,516,992
Reversal for the period	–	(139,360,432)
Balance at 30 September/31 March	126,156,560	126,156,560

18. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$
Ordinary shares of		
Authorised:		
At 31 March/30 September 2013 (HK\$0.04 each)	3,000,000,000	120,000,000
Issued and fully paid:		
At 31 March/30 September 2013	927,600,000	37,104,000

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

19. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Compensation of key management personnel

The remuneration of directors and key executives as key management of the Group during the period was as follows:

	For the three months ended		For the six months ended	
	30 September	2012	30 September	2012
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term benefits	2,228,100	720,000	3,784,200	1,440,000
Post-employment benefits	22,300	12,750	51,700	25,500
	2,250,400	732,750	3,835,900	1,465,500

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

The Group recorded a turnover of approximately HK\$78,688,000 for the six months ended 30 September 2013, a decrease of 33% when compared to the corresponding period in the last fiscal year. The decrease was mainly due to decrease in revenue generated from computer services and hotel services segment.

The direct costs were increased to approximately HK\$24,223,000 from approximately HK\$15,614,000 compared with the same period last year and the decrease in gross profit margin was mainly due to decrease in turnover of hotel services and computer services businesses and the introduction of equine business services during the reporting period.

No amortisation expenses incurred in 2013 and 2012. It was mainly due to suspension in production of mining business during the period.

Administrative expenses made an increase of 100% to approximately HK\$84,777,000 compared to approximately HK\$41,249,000 in 2012. The increase was mainly due to the introduction of equine business services during the reporting period.

The loss attributable to equity holders of the Company for the six months ended 30 September 2013 was approximately HK\$32,327,000 as compared to net profit of HK\$52,717,000 from the corresponding period in the previous fiscal year. The decrease was mainly due to decrease in revenue generated from computer services and hotel services segment and the introduction of equine business services during the reporting period.

Under the condensed consolidated statement of cash flows, net cash from operating activities were decreased in approximately HK\$134 million compared with the same period last year, it was mainly due to increase in inventory in approximately HK\$68 million during the period, while increased HK\$6 million of that in the corresponding period of the last fiscal year, and the decrease in trade payable, accruals and other payables in approximately HK\$29 million during the period, and decreased HK\$2 million in the corresponding period in the last fiscal year.

MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION AND REVENUE OF MINING ACTIVITIES

The group's mining production of iron ore were suspended for the six months ended 30 September 2013 compared with 23,000 tons for the same period in the last fiscal year. No revenue generated for the six months ended 30 September 2013.

BUSINESS REVIEW

For the period under review, the demand for natural resources remains stable 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. However, the recent decrease in the market price of iron ores affects the profit situation.

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 the last financial year, both mines had completed in setting up all necessary machineries and stable income will be expected in the coming year.

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 report. The mining which is estimated to have approximately 1,205 tons of measured and 54,000 tons of indicated resources for Vanadium Pentoxide (V₂O₅), and 34,000,000 tons of indicated resource for SiO₂ according to a technical report prepared by SRK Consulting China Ltd. ("SRK") (the "Technical Report").

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The major business activities of the Group include hotel resort, information technology service and mining during the financial year.

The Group continues to operate and allocate resources to hotel and information technology service as they can provide income to the Group.

Due to the announced Regulations in Indonesia concerning provisions of mining product export No. 29/M-DAG/Per/r/2012 and No. 574.K/30/DJB/2012, iron ores produced from the Two Iron Mines in Padang and Ende are not allowed to be exported from Indonesia, instead, they can only be sold locally before obtaining the Export Approvals. In view that the selling price of iron ores in the local market of Indonesia cannot sufficiently and effectively compensate the production costs of the Two Iron Mines, the Board has decided to suspend the operation of the Two Iron Mines pending the grant of the Export Approvals or change of laws in Indonesia to a favourable condition for the operation of the Two Iron Mines.

The board has been actively seeking opportunities to diversify the business scope and to broaden the revenue base of the Group. Having considered the existing operations and resources of the Group, the Board considers that it may be feasible for the Group to engage in the trading of racehorses alongside its existing principal businesses. In pursuance of this new business venture, racehorses will be sourced by the Group from the Southern Hemisphere, mainly Australia, which would then be raised and traded when they reached a certain age.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 September 2013, the Group's net assets decreased by approximately HK\$47,649,000 from net assets of approximately HK\$1,080,498,000 as at 31 March 2013. The cash and bank balances as at 30 September 2013 was approximately HK\$23,417,000, representing a decrease of approximately 86% when compared with the balance as at 31 March 2013. During the six months ended 30 September 2013, the Group's operation was mainly financed by the internal financial resources of the Group.

CHARGES ON GROUP ASSETS

As at 30 September 2013, no plant and equipment of the Group was held under finance lease (2012: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 September 2013, 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, Renminbi and Australian Dollars, the impact of foreign exchange exposure of the Group were considered minimal. Hence, no hedging or the arrangements to reduce the currency risk have been implemented.

EMPLOYEE INFORMATION

The total number of employees was 423 as at 30 September 2013 (2012: 369), and the total remuneration for the six months ended 30 September 2013 was approximately HK\$21,508,000 (2012: HK\$18,770,000). 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 30 September 2013, the interests and short positions of the Directors and chief executives 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 Cheek Wa	Corporate (Note)	271,655,000	Interest of a controlled corporation	29.29%
Mr. Lee Chi Shing, Caesar	Personal	500,000	Beneficial owner	0.05%

Note: These ordinary shares are held by First Cheer Holdings Limited. First Cheer Holdings Limited is beneficially owned as to 50% by Mr. Chau Cheek Wa and as to 50% by Mr. Cheng Ting Kong.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL

(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 owner were granted share options to subscribe for shares of the Company, details of which as at 30 September 2013 were as follows:

Name of Director	Date of grant	Number of share options	Exercise during the year	Share option lapsed	Exercised price of share option HK\$	Exercise period		Number of options outstanding as at 30 September 2013
						from	until	
Mr. Chau Cheuk Wa	25/11/2010	910,000	-	-	1.54	25/11/2010	24/11/2020	910,000
Ms. Cheng Mei Ching	9/2/2010	8,300,000	-	-	0.9	9/2/2010	8/2/2020	8,300,000
	25/11/2010	9,150,000	-	-	1.54	25/11/2010	24/11/2020	9,150,000
Mr. Lee Chi Shing, Caesar	19/8/2008	8,380,000	-	-	1.14	19/08/2008	18/08/2018	8,380,000
	9/2/2010	8,300,000	-	-	0.9	9/2/2010	8/2/2020	8,300,000
	25/11/2010	9,150,000	-	-	1.54	25/11/2010	24/11/2020	9,150,000

Save as disclosed above, during the six months ended 30 September 2013, none of the Directors or their respective associates was granted share option to subscribe for shares of the Company and nor had exercised such rights.

Save as disclosed above, during the six months ended 30 September 2013, none of the Directors or chief executives 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 30 September 2013 and no share option was granted or exercised during the six months ended 30 September 2013.

As at 30 September 2013, details of share options outstanding were as follows:

Date of grant	Number of share options			Exercise period of share options	Exercise price of share options HK\$
	At 1 April 2013	Exercised during the period	At 30 September 2013		
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	66,430,000	–	66,430,000	19/08/2008 to 18/08/2018	1.14
27/08/2008	4,800,000	–	4,800,000	27/08/2008 to 26/08/2018	1.16
16/12/2009	49,800,000	–	49,800,000	16/12/2009 to 15/12/2019	0.74

DETAILS OF SHARE OPTIONS GRANTED BY THE COMPANY

Date of grant	Number of share options			Exercise period of share options	Exercise price of share options HK\$
	At 1 April 2013	Exercised during the period	At 30 September 2013		
09/02/2010	16,600,000	–	16,600,000	09/02/2010 to 08/02/2020	0.90
25/11/2010	47,570,000	–	47,570,000	25/11/2010 to 24/11/2020	1.54
07/12/2010	9,150,000	–	9,150,000	07/12/2010 to 06/12/2020	1.74
	231,000,000	–	231,000,000		

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 30 September 2012, 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 (Note 1)	Corporate	271,655,000	Beneficial owner	29.29%
Cheng Ting Kong (Note 1)	Corporate	271,655,000	Interest of a controlled corporation	29.29%
Chau Cheek Wa (Note 1)	Corporate	271,655,000	Interest of a controlled corporation	29.29%
Raywell Holdings Limited (Note 2)	Corporate	135,430,000	Beneficial owner	14.6%
Yeung Hak Kan (Note 2)	Corporate	135,430,000	Interest of a controlled corporation	14.6%

Notes:

1. First Cheer Holdings Limited is beneficially owned as to 50% by Mr. Cheng Ting Kong and as to 50% by Mr. Chau Cheek Wa. Accordingly, both Mr. Cheng Ting Kong and Mr. Chau Cheek Wa are deemed under the SFO to be interested in the 271,655,000 shares beneficially owned by First Cheer Holdings Limited.
2. Raywell Holdings Limited is wholly and beneficially owned by Mr. Yeung Hak Kan. Accordingly, Mr. Yeung Hak Kan is deemed under the SFO to be interested in the 135,430,000 shares beneficially owned by Raywell Holdings Limited.

Save as disclosed above, as at 30 September 2013, 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. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Wang Zhigang, all of them are independent non-executive Directors and Mr. Tou Kin Chuen was appointed as the chairman of the Audit Committee. The results for the six months ended 30 September 2013 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. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor 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.

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.

CORPORATE GOVERNANCE

The Company has complied with the code provision set out in the Code on Corporate Governance Practices under Appendix 15 to the GEM Listing Rules throughout the six months ended 30 September 2012.

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.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises five executive Directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching, Mr. Lee Chi Shing, Caesar, Mr. Lo Kai Bong and Mr. Lui Man Wah and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Wang Zhigang.

By order of the Board
Sun International Resources Limited
Cheng Ting Kong
Chairman

Hong Kong, 11 November 2013