



**太陽國際資源有限公司**  
**SUN INTERNATIONAL RESOURCES LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8029)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**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 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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## **FINANCIAL SUMMARY (UNAUDITED)**

- Turnover of the Group was approximately HK\$51,452,000 for the six months ended 30 September 2015, representing a decrease of approximately 29% from the corresponding period in the previous fiscal year.
- For the six months ended 30 September 2015, gross profit of the Group was approximately HK\$28,345,000 as compared to the gross profit of approximately HK\$40,186,000 from the corresponding period in the previous fiscal year.
- Loss attributable to shareholders of the Group for the six months ended 30 September 2015 amounted to approximately HK\$74,859,000 as compared to net loss of approximately HK\$92,553,000 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 2015 (2014: Nil).

## CONSOLIDATED INTERIM RESULTS FOR 2015 (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 2015, together with the comparative unaudited figures for the corresponding period in 2014 were as follows:

### Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 September 2015

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Revenue	2	<b>16,014,505</b>	28,168,325	<b>51,452,285</b>	72,539,874
Direct costs		<b>(2,014,972)</b>	(15,784,362)	<b>(23,107,223)</b>	(32,353,994)
Gross profit		<b>13,999,533</b>	12,383,963	<b>28,345,062</b>	40,185,880
Other operating income		<b>4,362,330</b>	(1,669,576)	<b>7,692,856</b>	17,307,850
Administrative expenses		<b>(70,863,387)</b>	(54,886,790)	<b>(102,716,306)</b>	(118,872,473)
Share of losses of associates		<b>(12,687)</b>	(106,045)	<b>(31,292)</b>	(200,011)
Loss on disposal of subsidiaries		–	(22,694,347)	–	(24,468,363)
Finance costs		<b>(5,276,602)</b>	(9,241,945)	<b>(8,237,123)</b>	(13,595,559)
(Loss)/Profit before taxation	3	<b>(57,790,813)</b>	(76,214,740)	<b>(74,946,803)</b>	(99,642,676)
Income tax expense	4	–	(26)	<b>(313,563)</b>	(752)
<b>(Loss)/Profit for the period</b>		<b>(57,790,813)</b>	(76,214,766)	<b>(75,260,366)</b>	(99,643,428)
<b>Other comprehensive (loss)/income:</b>					
Dividend paid		–	–	–	(2,260,000)
Currency translation differences		<b>17,119,417</b>	1,949,759	<b>18,581,087</b>	(4,620,957)
<b>Other comprehensive (loss)/income for the period</b>		<b>17,119,417</b>	1,949,759	<b>18,581,087</b>	(6,880,957)
<b>Total comprehensive (loss)/income for the period</b>		<b>(40,671,396)</b>	(74,265,007)	<b>(56,679,279)</b>	(106,524,385)

		For the three months ended 30 September		For the six months ended 30 September	
		2015	2014	2015	2014
	Notes	HK\$	HK\$	HK\$	HK\$
<b>(Loss)/Profit attributable to:</b>					
Equity holders of the Company		<b>(57,533,644)</b>	(77,621,757)	<b>(74,858,700)</b>	(92,553,377)
Non-controlling interests		<b>(257,169)</b>	1,406,991	<b>(401,666)</b>	(7,090,051)
		<b><u>(57,790,813)</u></b>	<u>(76,214,766)</u>	<b><u>(75,260,366)</u></b>	<u>(99,643,428)</u>
<b>Total comprehensive (loss)/income attributable to:</b>					
Equity holders of the Company		<b>(40,414,227)</b>	(82,529,247)	<b>(56,277,613)</b>	(103,958,490)
Non-controlling interests		<b>(257,169)</b>	11,312,250	<b>(401,666)</b>	(2,565,895)
		<b><u>(40,671,396)</u></b>	<u>(74,265,007)</u>	<b><u>(56,679,279)</u></b>	<u>(106,524,385)</u>
<b>Dividend</b>	5	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Earnings per share</b>	6				
Basic (HK cents per share)		<b><u>(4.13)</u></b>	<u>(11.16)</u>	<b><u>(5.38)</u></b>	<u>(13.30)</u>
Diluted (HK cents per share)		<b><u>(4.13)</u></b>	<u>(11.16)</u>	<b><u>(5.38)</u></b>	<u>(13.30)</u>

**Condensed Consolidated Statement of Financial Position**  
*As at 30 September 2015*

	<i>Notes</i>	At 30 September 2015 <i>HK\$</i> (Unaudited)	At 31 March 2015 <i>HK\$</i> (Audited)
Non-current assets			
Goodwill	7	<b>6,528,059</b>	6,528,059
Property, plant and equipment	8	<b>49,431,698</b>	57,352,429
Biological assets – non-current portion		<b>71,249,256</b>	78,571,459
Interest in associate		<b>165,718,800</b>	165,683,163
		<b>292,927,813</b>	308,135,110
Current assets			
Inventories		–	808,279
Biological assets – current portion		<b>110,799,812</b>	127,801,912
Trade receivables	9	<b>73,054,207</b>	75,354,531
Prepayments, deposits and other receivables	10	<b>8,550,595</b>	10,533,642
Amount due from non-controlling shareholder of a subsidiary		<b>9,360,000</b>	9,360,000
Tax receivable		–	7,260,098
Bank balances and cash		<b>65,463,794</b>	50,438,508
		<b>267,228,408</b>	281,556,970
Current liabilities			
Trade payables	11	<b>8,588,946</b>	8,464,665
Accruals and other payables		<b>29,693,407</b>	37,437,453
Deposits received and deferred income		<b>22,866,667</b>	5,103,482
Promissory note	12	–	140,000,000
		<b>61,149,020</b>	191,005,600
Net current assets		<b>206,079,388</b>	90,551,370
Total asset less current liabilities		<b>499,007,201</b>	398,686,480

	<i>Notes</i>	<b>At 30 September 2015 HK\$ (Unaudited)</b>	<b>At 31 March 2015 HK\$ (Audited)</b>
<b>Non-current liabilities</b>			
Promissory note	<i>12</i>	<b>140,000,000</b>	–
Debenture		<b>238,000,000</b>	221,000,000
		<u><b>378,000,000</b></u>	<u>221,000,000</u>
		<u><b>121,007,201</b></u>	<u>177,686,480</u>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>55,656,000</b>	55,656,000
Reserves		<b>52,637,872</b>	108,915,485
Non-controlling interest		<b>12,713,329</b>	13,114,995
		<u><b>121,007,201</b></u>	<u>177,686,480</u>

**Condensed Consolidation Interim Statement of Changes in Equity**  
*For the six months ended 30 September 2015*

	Attributable to equity holders of the Company									
	Share Capital HK\$	Share Premium HK\$	Capital Redemption Reserve HK\$	Merger Deficit HK\$	Share Option Reserve HK\$	Exchange Translation Reserve HK\$	Accumulated Profits/(Loss) HK\$	Sub-total HK\$	Non-Controlling Interests HK\$	Total HK\$
At 1 April 2014 (Audited)	55,656,000	775,075,169	254,600	369,866	38,254,919	(3,665,018)	(269,628,531)	596,317,005	(14,793,863)	581,523,142
Profit for the six months ended 30 September 2014	-	-	-	-	-	-	(92,553,377)	(92,553,377)	(7,090,051)	(99,643,428)
Other comprehensive income:										
Dividend paid	-	-	-	-	-	-	(2,260,000)	(2,260,000)	-	(2,260,000)
Currency translation differences	-	-	-	-	-	(9,145,113)	-	(9,145,113)	4,524,156	(4,620,957)
Total comprehensive income for the six months ended 30 September 2014	-	-	-	-	-	(9,145,113)	(94,813,377)	(103,958,490)	(2,565,895)	(106,524,385)
At 30 September 2014 (Unaudited)	55,656,000	775,075,169	254,600	369,866	38,254,919	(12,810,131)	(364,441,908)	492,358,515	(17,359,758)	474,998,757
At 1 April 2015 (Audited)	55,656,000	775,075,169	254,600	369,866	46,554,612	(15,804,934)	(697,533,828)	164,571,485	13,114,995	177,686,480
Profit for the six months ended 30 September 2015	-	-	-	-	-	-	(74,858,700)	(74,858,700)	(401,666)	(75,260,366)
Other comprehensive income:										
Dividend paid	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	18,581,087	-	18,581,087	-	18,581,087
Total comprehensive income for the six months ended 30 September 2015	-	-	-	-	-	18,581,087	(74,858,700)	(56,277,613)	(401,666)	(56,679,279)
At 30 September 2015 (Unaudited)	55,656,000	775,075,169	254,600	369,866	46,554,612	2,776,153	(772,392,528)	108,293,872	12,713,329	121,007,201

**Condensed Consolidated Statement of Cash Flows**  
*For the six months ended 30 September 2015*

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<i>HK\$</i>	<i>HK\$</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash used in operating activities</b>	<b>(15,048,963)</b>	(98,063,262)
<b>Net cash used in investing activities</b>	<b>(1,263,358)</b>	(9,344,075)
<b>Net cash generated from financing activities</b>	<b>8,762,877</b>	85,918,104
<b>Net decrease in cash and cash equivalent</b>	<b>(7,549,444)</b>	(21,489,233)
<b>Cash and cash equivalent at the beginning of the period</b>	<b>50,438,508</b>	65,105,903
<b>Effect of exchange rate changes</b>	<b>22,574,730</b>	15,496,534
<b>Cash and cash equivalent at the ended of the period</b>	<b><u>65,463,794</u></b>	<u>59,113,204</u>



## 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 2015.

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 2015, 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 2015.

The unaudited consolidated results of the Group for the six months ended 30 September 2015 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 three business segments – computer software solution and services, equine services and others.

**Segment Information***For the period ended 30 September 2015 (Unaudited)*

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Equine services <i>HK\$</i>	Mining services <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Turnover</b>						
External sales	<u>15,810,000</u>	<u>–</u>	<u>35,642,285</u>	<u>–</u>	<u>–</u>	<u>51,452,285</u>
<b>Result</b>						
Segment result	<u>3,936,407</u>	<u>–</u>	<u>(64,481,359)</u>	<u>–</u>	<u>(4,094,482)</u>	<u>(64,639,434)</u>
Unallocated corporate income						2,106
Unallocated corporate expenses						(2,072,352)
Finance cost						<u>(8,237,123)</u>
Profit before tax						<u>(74,946,803)</u>
Income tax expense						<u>(313,563)</u>
Loss for the period						<u>(75,260,366)</u>

*For the period ended 30 September 2014 (Unaudited)*

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Equine services <i>HK\$</i>	Mining services <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Turnover</b>						
External sales	<u>35,205,226</u>	<u>4,145,493</u>	<u>33,189,155</u>	<u>–</u>	<u>–</u>	<u>72,539,874</u>
<b>Result</b>						
Segment result	<u>25,666,835</u>	<u>(3,954,230)</u>	<u>(55,254,367)</u>	<u>(14,488,809)</u>	<u>(6,271,799)</u>	<u>(54,302,370)</u>
Unallocated corporate income						3,600
Unallocated corporate expenses						(31,748,347)
Finance cost						<u>(13,595,559)</u>
Profit before tax						<u>(99,642,676)</u>
Income tax expense						<u>(752)</u>
Loss for the period						<u>(99,643,428)</u>

### *Geographical segments*

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

#### **Revenue from external customers**

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>HK\$</b>	<b>HK\$</b>
	<b>(Unaudited)</b>	(Unaudited)
Hong Kong	<b>1,281,685</b>	12,627,190
The Philippines	–	4,145,493
Macau	<b>14,810,000</b>	22,963,617
Australia	<b>35,360,600</b>	32,803,574
	<b><u>51,452,285</u></b>	<u>72,539,874</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:

	<b>Non-current assets</b>	
	<b>2015</b>	2014
	<b>HK\$</b>	<b>HK\$</b>
Hong Kong	<b>178,298,687</b>	474,994,303
The Philippines	–	–
Indonesia	–	9,067,920
Macau	<b>37,931</b>	83,990
Australia	<b>114,591,195</b>	138,921,965
	<b><u>292,927,813</u></b>	<u>623,068,178</u>

### 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	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Employee benefits expense including those of directors – wages, salaries and others	11,145,872	9,506,499	20,291,423	19,377,646
Depreciation for property, plant and equipment – owned assets	2,120,549	2,341,157	4,269,695	4,926,362
Interest income	<u>87,068</u>	<u>98,800</u>	<u>171,683</u>	<u>321,343</u>

### 4. INCOME TAX EXPENSE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2014: 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	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Continuing operations				
Current income tax				
– Hong Kong profits tax	–	–	313,563	–
– Overseas taxation	<u>–</u>	<u>26</u>	<u>–</u>	<u>752</u>
	<u>–</u>	<u>26</u>	<u>313,563</u>	<u>752</u>

### 5. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2015 (2014: 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	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Profit attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	<u>(57,533,644)</u>	<u>(77,621,757)</u>	<u>(74,858,700)</u>	<u>(92,553,377)</u>
	Number of shares		Number of shares	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,391,400,000	695,700,000	1,391,400,000	695,700,000
Effect of dilutive potential ordinary shares: share options	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,391,400,000</u>	<u>695,700,000</u>	<u>1,391,400,000</u>	<u>695,700,000</u>

## 7. GOODWILL

	30 September 2015 HK\$	31 March 2015 HK\$
<b>Cost</b>		
Balance at 1 April 2015/2014	431,384,586	510,685,062
Disposal of subsidiaries	<u>–</u>	<u>(79,300,476)</u>
Balance at 30 September/31 March	<u>431,384,586</u>	<u>431,384,586</u>
<b>Impairment</b>		
Balance at 1 April 2015/2014	424,856,527	330,171,926
Impairment for the year	–	173,985,077
Written back on disposal of subsidiaries	<u>–</u>	<u>(79,300,476)</u>
Balance at 30 September/31 March	<u>424,856,527</u>	<u>424,856,527</u>
<b>Carrying amounts</b>		
At 30 September/31 March	<u>6,528,059</u>	<u>6,528,059</u>

### *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 2015 is allocated as follow:

	<b>30 September 2015 HK\$</b>	31 March 2015 HK\$
Computer software solution and services	<u>6,528,059</u>	<u>6,528,059</u>
	<b><u>6,528,059</u></b>	<b><u>6,528,059</u></b>

## **8. PROPERTY, PLANT AND EQUIPMENT**

	<b>30 September 2015 HK\$ (Unaudited)</b>	31 March 2015 HK\$ (Audited)
<b>Cost:</b>		
Balance at 1 April 2015/2014	<b>83,698,559</b>	191,486,080
Additions	<b>1,488,113</b>	13,623,326
Disposals	<b>(618,720)</b>	(217,248)
Elimination upon disposal of subsidiaries	–	(112,954,007)
Exchange realignment	<b>(5,351,244)</b>	(8,239,592)
	<u><b>79,216,708</b></u>	<u>83,698,559</u>
Balance at 30 September/31 March		
<b>Depreciation:</b>		
Balance at 1 April 2015/2014	<b>26,346,130</b>	40,927,407
Depreciation charge	<b>4,269,695</b>	12,616,148
Elimination upon disposal	<b>(618,720)</b>	(32,855)
Elimination upon disposal of subsidiaries	–	(26,221,215)
Exchange realignment	<b>(212,095)</b>	(943,355)
	<u><b>29,785,010</b></u>	<u>26,346,130</u>
Balance at 30 September/31 March		
<b>Net book values:</b>		
At 30 September/31 March	<b><u>49,431,698</u></b>	<b><u>57,352,429</u></b>

## 9. TRADE RECEIVABLES

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

	<b>30 September 2015 HK\$ (Unaudited)</b>	31 March 2015 HK\$ (Audited)
Within 30 days	<b>29,923,071</b>	11,981,083
31 - 60 days	<b>6,237,286</b>	5,781,067
61 - 90 days	<b>3,281,582</b>	3,385,441
Over 90 days	<b>33,612,268</b>	54,206,940
	<b><u>73,054,207</u></b>	<b><u>75,354,531</u></b>

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 2015 approximate to their fair values.

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30 September 2015 HK\$ (Unaudited)</b>	31 March 2015 HK\$ (Audited)
Deposits	<b>2,576,996</b>	1,489,673
Prepayments	<b>3,632,072</b>	8,890,819
Other receivables	<b>2,341,527</b>	153,150
	<b><u>8,550,595</u></b>	<b><u>10,533,642</u></b>

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

## 11. TRADE PAYABLES

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

	<b>30 September 2015 HK\$ (Unaudited)</b>	31 March 2015 HK\$ (Audited)
Within 30 days	<b>7,380,982</b>	8,464,665
31-90 days	<b>572,464</b>	-
91-120 days	<b>-</b>	-
Over 180 days	<b>635,500</b>	-
	<b><u>8,588,946</u></b>	<b><u>8,464,665</u></b>

## 12. PROMISSORY NOTE

	<b>30 September 2015 HK\$</b>	31 March 2015 HK\$
Current	–	140,000,000
Non-current	<b>140,000,000</b>	–

At 30 September 2015, the promissory note was unsecured, interest free and will mature on 31 March 2017.

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

## 13. SHARE CAPITAL

	<b>Number of ordinary shares</b>	<b>Amount HK\$</b>
Ordinary shares of Authorised:		
At 31 March (HK\$0.08 each)/ 30 September 2015 (HK\$0.04 each)	20,000,000,000/ 40,000,000,000	<u>1,600,000,000</u>
Issued and fully paid:		
At 31 March/30 September 2015	<u>1,391,400,000</u>	<u>55,656,000</u>

## 14. 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:

	<b>For the three months ended 30 September</b>		<b>For the six months ended 30 September</b>	
	<b>2015 HK\$ (Unaudited)</b>	2014 HK\$ (Unaudited)	<b>2015 HK\$ (Unaudited)</b>	2014 HK\$ (Unaudited)
Short-term benefits	<b>610,505</b>	786,790	<b>1,221,009</b>	1,569,580
Post-employment benefits	<b>13,500</b>	16,000	<b>27,000</b>	34,000
	<b><u>624,005</u></b>	<u>802,790</u>	<b><u>1,248,009</u></b>	<u>1,603,580</u>



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Review of Financial Performance**

The Group recorded a turnover of approximately HK\$51,452,000 for the six months ended 30 September 2015, a decrease of 29% when compared to the corresponding period in the last fiscal year. The decrease was mainly due to decrease in revenue generated from computer service business and disposal of hotel service business.

The direct costs were decreased to approximately HK\$23,107,000 from approximately HK\$32,354,000 compared with the same period last year and the decrease in gross profit margin was mainly due to decrease in turnover of computer services businesses.

Administrative expenses made an decrease of 14% to approximately HK\$102,716,000 compared to approximately HK\$118,872,000 in 2014. The decrease was mainly due to the disposal of subsidiaries of hotel service and mining service businesses.

The loss attributable to equity holders of the Company for the six months ended 30 September 2015 was approximately HK\$74,859,000 as compared to net loss of HK\$92,553,000 from the corresponding period in the previous fiscal year. The decrease was mainly due to the disposal of subsidiaries of hotel service and mining service businesses and decrease in financial cost during the reporting period.

Under the condensed consolidated statement of cash flows, net cash from operating activities were increased by approximately HK\$83 million compared with the same period of last year, the main movements include: increase in long term loan financing of approximately HK\$9 million, decrease in biological assets of HK\$24 million, decrease in prepayment, deposit and other receivable of HK\$28 million, increase in accounts payable of HK\$0.9 million and decrease in accrual and other payable of HK\$6 million during the reporting period. While compared with the same period of last fiscal year, the related movements include: increase in long term loan financing of approximately HK\$85 million, purchases of fixed assets and biological assets of HK\$40 million, increase in prepayment, deposit and other receivable of HK\$4 million, decrease in accounts payable of HK\$24 million and decrease in accrual and other payable of HK\$20 million.

### **Business Review**

During the reporting period, the Group has taken steps for market research on the current demand and expectation of online game customers. The related sales and promotion advertising activities has been adopted through internet and other medium platform. However the revenue generated from the computer software solution and services experienced significant reduction as the Group's sales generated from gaming software solutions services were below expectation.

Following the acquisition of assets of Eliza Park Pty. Limited by Eliza Park International Pty. Limited in August 2013, the Group had entered into the horse trading and stud business in Australia. The Group has invested in the expansion of the equine services through upgrade of the existing infrastructure and purchase of bloodstock for horse trading. During the reported period, the revenue generated from this segment increased by approximately 8% from approximately HK\$32,804,000 for the six months ended September 30, 2014 to approximately HK\$35,361,000 for the six months ended September 30, 2015. The Group would contribute to a great extent by offering its clientele a total range of thoroughbred related services, including breeding, rearing, sales, agistment, spelling, education, administration advice and training.

### **Prospects**

The major business activities of the Group include equine service and computer service during the financial year. The Group continues to operate and allocate resources to equine service and computer service businesses as they can provide income to the Group.

At the same time, the Board has been actively seeking opportunities to further diversify the business scope and broaden its revenue base of the Group.

### **Liquidity and Financial Resources**

As of 30 September 2015, the Group's net assets decreased to approximately HK\$121,007,000 from net assets of approximately HK\$177,686,000 as at 31 March 2015. The cash and bank balances as at 30 September 2015 was approximately HK\$65,464,000, representing an increase of approximately 30% when compared with the balance as at 31 March 2015. During the six months ended 30 September 2015, the Group's operation was mainly financed by placing of bond through a financial institution.

### **Charges on Group Assets**

As at 30 September 2015, no plant and equipment of the Group was held under finance lease (2014: HK\$Nil).

### **Contingent Liabilities**

As at 30 September 2015, the Group had no contingent liabilities.

### **Foreign Exchange Exposure**

The income and expenditure of the Group were denominated in Hong Kong dollars 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 102 as at 30 September 2015 (2014: 102), and the total remuneration for the six months ended 30 September 2015 was approximately HK\$20,291,000 (2014: HK\$19,378,000). 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.

## **SHARE SUBDIVISION**

On 27 July 2015, the Company subdivided each (1) existing issued and unissued Share of HK\$0.08 in the capital of the Company into two (2) Subdivided Shares of HK\$0.04 each.

Accordingly, the authorised share capital of the Company is HK\$1,600,000,000 divided into 40,000,000,000 Subdivided Shares, of which 1,391,400,000 Subdivided Shares have been in issue and fully paid or credited as fully paid.

The number of shares to be issued upon exercise of the outstanding share options and the corresponding exercise price have also been adjusted accordingly.

## **EVENTS AFTER REPORTING PERIOD**

### **Major and Connected Transactions relating to Acquisition of Entire Issued Shares in Sun International Securities Limited and Sun International Asset Management Limited**

On 19 August 2015, the Company and a party connected with the substantial shareholder of the Company (the "Vendor") entered into the Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the entire interests of Sun International Securities Limited and Sun International Asset Management Limited, at the Consideration of HK\$147,300,000 (subject to adjustment). The Company will conduct an extraordinary general meeting (the "Meeting") on 23 November 2015 for the purpose of considering and, if thought fit, approving the proposed transaction. Details of this transaction together with the proposed continuous connected transactions with the Vendor's subsidiaries are disclosed in the Company's announcement and circular dated 19 August 2015 and 4 November 2015, respectively.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARE CAPITAL**

As at 30 September 2015, 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 Cheuk Wa	Corporate (Note)	656,928,290	Interest of a controlled corporation	47.14%
Mr. Lee Chi Shing, Caesar	Personal	750,000	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 Cheuk Wa and as to 50% by Mr. Cheng Ting Kong.

**(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 2015 were as follows:

Name of Director	Date of grant	Number of share options	Exercised during the year	Share option lapsed	Exercise price of share options HK\$	Exercise period from	Exercise period until	Number of options outstanding as at 30 September 2015
Ms. Cheng Mei Ching	9/2/2010	11,492,308	-	-	0.65	9/2/2010	8/2/2020	11,492,308
	25/11/2010	12,581,250	-	-	1.12	25/11/2010	24/11/2020	12,581,250
	10/9/2014	1,391,400	-	-	0.315	10/9/2014	9/9/2024	1,391,400
Mr. Lee Chi Shing, Caesar	19/8/2008	11,509,880	-	-	0.83	19/08/2008	18/08/2018	11,509,880
	9/2/2010	11,492,308	-	-	0.65	9/2/2010	8/2/2020	11,492,308
	25/11/2010	12,581,250	-	-	1.12	25/11/2010	24/11/2020	12,581,250
	10/9/2014	13,914,000	-	-	0.315	10/9/2014	9/9/2024	13,914,000
Mr. Lui Man Wah	10/9/2014	13,914,000	-	-	0.315	10/9/2014	9/9/2024	13,914,000

Save as disclosed above, during the six months ended 30 September 2015, the company grant no new share options for the Directors or their respective associates to subscribe for shares of the Company and had not been exercised such rights.

Save as disclosed above, during the six months ended 30 September 2015, none of the Directors or Chief Executive 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 option 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. No share option was granted or exercised during the six months ended 30 September 2015.

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 2015 and no share option was granted or exercised during the six months ended 30 September 2015.

As at 30 September 2015, 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 2015	Adjusted at 27 July 2015	Exercised during the period	At 30 September 2015		
13/08/2007	12,056,364	24,112,728	–	24,112,728	13/8/2007 to 12/8/2017	0.55
17/08/2007	6,646,154	13,292,308	–	13,292,308	17/8/2007 to 16/8/2017	0.52
21/08/2007	6,624,000	13,248,000	–	13,248,000	21/08/2007 to 20/08/2017	0.50
19/08/2008	45,620,603	91,241,206	–	91,241,206	19/08/2008 to 18/08/2018	0.83
27/08/2008	3,314,286	6,628,572	–	6,628,572	27/08/2008 to 26/08/2018	0.84

Date of grant	Number of share options				Exercise period of share options	Exercise price of share options HK\$
	At 1 April 2015	Adjusted at 27 July 2015	Exercised during the period	At 30 September 2015		
16/12/2009	34,122,222	68,244,444	–	68,244,444	16/12/2009 to 15/12/2019	0.54
09/02/2010	11,492,308	22,984,616	–	22,984,616	09/02/2010 to 08/02/2020	0.65
25/11/2010	32,704,375	65,408,750	–	65,408,750	25/11/2010 to 24/11/2020	1.12
07/12/2010	6,317,857	12,635,714	–	12,635,714	07/12/2010 to 06/12/2020	1.26
	<u>158,898,169</u>	<u>317,796,338</u>	<u>–</u>	<u>317,796,338</u>		

#### **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 2015, 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 ( <i>Note 1</i> )	Corporate	654,677,040	Beneficial owner	47.05%
Cheng Ting Kong ( <i>Note 1</i> )	Corporate	654,677,040	Interest of a controlled corporation	47.05%
Chau Cheok Wa ( <i>Note 1</i> )	Corporate	654,677,040	Interest of a controlled corporation	47.05%
Raywell Holdings Limited ( <i>Note 2</i> )	Corporate	135,430,000	Beneficial owner	9.73%
Yeung Hak Kan ( <i>Note 2</i> )	Corporate	135,430,000	Interest of a controlled corporation	9.73%

Notes:

1. First Cheer Holdings Limited is beneficially owned as to 50% by Mr. Cheng Ting Kong and as to 50% by Mr. Chau Cheok Wa. Accordingly, both Mr. Cheng Ting Kong and Mr. Chau Cheok Wa are deemed under the SFO to be interested in the 654,677,040 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 2015, 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 2015 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 2015.

## **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 announcement, the Board comprises four executive Directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching, Mr. Lee Chi Shing, Caesar 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, 9 November 2015