



**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)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 31 DECEMBER 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.**

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## **FINANCIAL SUMMARY (UNAUDITED)**

- Turnover of the Group was approximately HK\$132,790,000 for the nine months ended 31 December 2013, representing a decrease of approximately 29% from the corresponding period in the previous fiscal year.
- For the nine months ended 31 December 2013, gross profit of the Group was approximately HK\$87,777,000 as compared to the gross profit approximately HK\$150,889,000 from the corresponding period in the previous fiscal year.
- Loss attributable to shareholders of the Group for the nine months ended 31 December 2013 amounted to approximately HK\$62,771,000 as compared to profit of approximately HK\$82,518,000 from the corresponding period in the previous fiscal year.
- The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2013 (2012: Nil).

## CONSOLIDATED THIRD QUARTERLY 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 nine months ended 31 December 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 nine months ended 31 December 2013

|   | Notes | For the three months<br>ended 31 December |              | For the nine months<br>ended 31 December |              |
|---|-------|---|--------------|--|--------------|
|   |       | 2013<br>HK\$                              | 2012<br>HK\$ | 2013<br>HK\$                             | 2012<br>HK\$ |
| Revenue   | 2     | <b>54,102,249</b>                         | 69,783,222   | <b>132,790,187</b>                       | 187,372,424  |
| Direct cost   |       | <b>(20,790,087)</b>                       | (20,869,617) | <b>(45,013,580)</b>                      | (36,483,140) |
| Gross profit  |       | <b>33,312,162</b>                         | 48,913,605   | <b>87,776,607</b>                        | 150,889,284  |
| Other operating income                                      |       | <b>3,398,911</b>                          | 554,458      | <b>5,632,157</b>                         | 1,983,729    |
| Gain on disposal of subsidiary                              |       | –   | 61,315       | –  | 61,315       |
| Administrative expenses                                     |       | <b>(68,818,349)</b>                       | (17,559,163) | <b>(153,595,350)</b>                     | (58,808,568) |
| Fair value change in intangible<br>assets                   |       | –   | –            | –  | (3,705,399)  |
| Share of losses of associates                               |       | <b>(66,028)</b>                           | (397,008)    | <b>(277,984)</b>                         | (811,451)    |
| Finance costs   |       | <b>(6,572,694)</b>                        | (1,397,117)  | <b>(15,093,588)</b>                      | (4,592,655)  |
| (Loss)/profit before taxation                               | 3     | <b>(38,745,998)</b>                       | 30,176,090   | <b>(75,558,158)</b>                      | 85,016,255   |
| Income tax expense  | 4     | <b>(80,984)</b>                           | (1,214,250)  | <b>(1,172,962)</b>                       | (7,048,346)  |
| (Loss)/profit for the period                                |       | <b>(38,826,982)</b>                       | 28,961,840   | <b>(76,731,120)</b>                      | 77,967,909   |
| <b>Other comprehensive expense:</b>                         |       |   |              |  |              |
| Currency translation differences                            |       | <b>13,402,383</b>                         | (219,859)    | <b>3,657,609</b>                         | (680,364)    |
| Other comprehensive expense<br>for the period               |       | <b>13,402,383</b>                         | (219,859)    | <b>3,657,609</b>                         | (680,364)    |
| <b>Total comprehensive<br/>(loss)/income for the period</b> |       | <b>(25,424,599)</b>                       | 28,741,981   | <b>(73,073,511)</b>                      | 77,287,545   |
| <b>(Loss)/profit attributable to:</b>                       |       |   |              |  |              |
| Equity holders of the company                               |       | <b>(30,443,273)</b>                       | 29,801,248   | <b>(62,770,742)</b>                      | 82,517,963   |
| Non-controlling interests                                   |       | <b>(8,383,709)</b>                        | (839,408)    | <b>(13,960,378)</b>                      | (4,550,054)  |
|   |       | <b>(38,826,982)</b>                       | 28,961,840   | <b>(76,731,120)</b>                      | 77,967,909   |

|   | <i>Notes</i> | For the three months<br>ended 31 December |                   | For the nine months<br>ended 31 December |                   |
|---|--------------|---|-------------------|--|-------------------|
|   |              | 2013                                      | 2012              | 2013                                     | 2012              |
|   |              | <i>HK\$</i>                               | <i>HK\$</i>       | <i>HK\$</i>                              | <i>HK\$</i>       |
| <b>Total comprehensive (loss)/<br/>income for the period<br/>attributable to:</b> |              |   |                   |  |                   |
| Equity holders of the company   |              | <b>(21,987,609)</b>                       | 29,597,060        | <b>(63,734,982)</b>                      | 81,940,468        |
| Non-controlling interests   |              | <b>(3,436,990)</b>                        | (855,079)         | <b>(9,338,529)</b>                       | (4,652,923)       |
|   |              | <b><u>(25,424,599)</u></b>                | <u>28,741,981</u> | <b><u>(73,073,511)</u></b>               | <u>77,287,545</u> |
| Dividend  | 5            | <u>–</u>                                  | <u>–</u>          | <u>–</u>                                 | <u>–</u>          |
| <b>Earnings per share</b>   | 6            |   |                   |  |                   |
| Basic (HK cents per share)  |              | <b><u>(3.28)</u></b>                      | <u>3.21</u>       | <b><u>(6.77)</u></b>                     | <u>8.90</u>       |
| Diluted (HK cents per share)  |              | <b><u>n/a</u></b>                         | <u>3.15</u>       | <b><u>n/a</u></b>                        | <u>8.80</u>       |

## Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2012

|  | Attributable to equity holders of the Company |                          |  |                           |                                    |   |  |                                       | Non –<br>Controlling<br>Interests | Total       |                   |
|--|---|--------------------------|--|---------------------------|------------------------------------|---|--|---------------------------------------|-----------------------------------|-------------|-------------------|
|  | Share<br>Capital<br>HK\$                      | Share<br>Premium<br>HK\$ | Capital<br>Redemption<br>Reserve<br>HK\$ | Merger<br>Deficit<br>HK\$ | Share<br>Option<br>Reserve<br>HK\$ | Convertible<br>Notes<br>Reserve<br>HK\$ | Exchange<br>Translation<br>Reserve<br>HK\$ | Accumulated<br>Profits/(Loss)<br>HK\$ |                                   |             | Sub-total<br>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 nine months ended<br>31 December 2012                     | -   | -                        | -  | -                         | -                                  | -                                       | -  | 82,456,648                            | 82,456,648                        | (4,550,054) | 77,906,594        |
| Disposal of subsidiary   | -   | -                        | -  | -                         | -                                  | -                                       | -  | 61,315                                | 61,315                            | -           | 61,315            |
| Other comprehensive income:<br>Currency translation differences          | -   | -                        | -  | -                         | -                                  | -                                       | 302,914                                    | -                                     | 302,914                           | (983,188)   | (680,274)         |
| Total comprehensive income for the<br>nine months ended 31 December 2012 | -   | -                        | -  | -                         | -                                  | -                                       | 302,914                                    | 82,517,963                            | 82,820,877                        | (5,533,242) | 77,287,635        |
| At 31 December 2012 (Unaudited)  | 37,104,000                                    | 747,247,169              | 254,600                                  | 369,866                   | 38,254,919                         | 14,039,644                              | (8,324,328)                                | 477,893,770                           | 1,306,839,640                     | 390,353,333 | 1,697,192,973     |

## Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2013

|  | Attributable to equity holders of the Company |                          |  |                           |                                    |   |  |                                       | Non –<br>Controlling<br>Interests | Total        |                   |
|--|---|--------------------------|--|---------------------------|------------------------------------|---|--|---------------------------------------|-----------------------------------|--------------|-------------------|
|  | Share<br>Capital<br>HK\$                      | Share<br>Premium<br>HK\$ | Capital<br>Redemption<br>Reserve<br>HK\$ | Merger<br>Deficit<br>HK\$ | Share<br>Option<br>Reserve<br>HK\$ | Convertible<br>Notes<br>Reserve<br>HK\$ | Exchange<br>Translation<br>Reserve<br>HK\$ | Accumulated<br>Profits/(Loss)<br>HK\$ |                                   |              | Sub-total<br>HK\$ |
| 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                       | 187,489,939  | 1,080,497,518     |
| Loss for the nine months ended<br>31 December 2013                       | -   | -                        | -  | -                         | -                                  | -                                       | -  | (62,770,741)                          | (62,770,741)                      | (13,960,378) | (76,731,119)      |
| Redemption of convertible notes  | -   | -                        | -  | -                         | -                                  | (9,694,384)                             | -  | -                                     | (9,694,384)                       | -            | (9,694,384)       |
| Other comprehensive income:<br>Currency translation differences          | -   | -                        | -  | -                         | -                                  | -                                       | (1,378,586)                                | -                                     | (1,378,586)                       | 4,621,849    | 3,243,263         |
| Total comprehensive income for the<br>nine months ended 31 December 2013 | -   | -                        | -  | -                         | -                                  | (9,694,384)                             | (1,378,586)                                | (62,770,741)                          | (73,843,711)                      | (9,338,529)  | (83,182,240)      |
| At 31 December 2013 (Unaudited)  | 37,104,000                                    | 747,247,169              | 254,600                                  | 369,866                   | 38,254,919                         | -                                       | (9,128,292)                                | 5,061,606                             | 819,163,868                       | 178,151,410  | 997,315,278       |

## 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 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.

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 nine months ended 31 December 2013 are unaudited but have been reviewed by the Company's Audit Committee.

### 2. REVENUE

Revenue represents the net amounts received and receivable from services provided by the Group to outside customers and is analysed as follows:

|  | For the three months<br>ended 31 December |                   | For the nine months<br>ended 31 December |                    |
|--|---|-------------------|--|--------------------|
|  | 2013                                      | 2012              | 2013                                     | 2012               |
|  | HK\$                                      | HK\$              | HK\$                                     | HK\$               |
| Hotel services                         | 3,202,267                                 | 21,458,829        | 22,091,992                               | 64,051,042         |
| Computer software solution and service | 22,403,312                                | 38,521,099        | 71,760,682                               | 113,518,088        |
| Equine services                        | 28,496,670                                | –                 | 38,937,513                               | –                  |
| Mining                                 | –   | 9,803,294         | –  | 9,803,294          |
|  | <u>54,102,249</u>                         | <u>69,783,222</u> | <u>132,790,187</u>                       | <u>187,372,424</u> |

### 3. PROFIT BEFORE TAXATION

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

|  | For the three months<br>ended 31 December |                             | For the nine months<br>ended 31 December |                             |
|--|---|-----------------------------|--|-----------------------------|
|  | 2013<br>HK\$<br>(Unaudited)               | 2012<br>HK\$<br>(Unaudited) | 2013<br>HK\$<br>(Unaudited)              | 2012<br>HK\$<br>(Unaudited) |
| Employee benefits expense including those of directors |   |                             |  |                             |
| – wages, salaries and others                           | 20,489,832                                | 9,618,045                   | 47,469,417                               | 28,388,168                  |
| Interest on convertible bonds                          | 5,489,720                                 | 1,397,120                   | 7,146,504                                | 4,592,247                   |
| Depreciation for property, plant and equipment         |   |                             |  |                             |
| – owned assets   | 7,779,594                                 | 1,549,139                   | 17,951,313                               | 6,645,907                   |
| – finance lease assets                                 | –   | –                           | –  | 18,401                      |
| Interest income  | 323,861                                   | 304,571                     | 945,954                                  | 904,216                     |

### 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<br>ended 31 December |                             | For the nine months<br>ended 31 December |                             |
|-------------------------|---|-----------------------------|--|-----------------------------|
|                         | 2013<br>HK\$<br>(Unaudited)               | 2012<br>HK\$<br>(Unaudited) | 2013<br>HK\$<br>(Unaudited)              | 2012<br>HK\$<br>(Unaudited) |
| Deferred taxation       | –   | –                           | (8,481)                                  | (926,350)                   |
| Current income tax      |   |                             |  |                             |
| – Hong Kong profits tax | 79,831                                    | 1,191,849                   | 1,181,443                                | 7,937,297                   |
| – Overseas taxation     | 1,153                                     | 22,401                      | –  | 37,399                      |

### 5. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 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<br>ended 31 December |                             | For the nine months<br>ended 31 December |                             |
|--|---|-----------------------------|--|-----------------------------|
|  | 2013<br>HK\$<br>(Unaudited)               | 2012<br>HK\$<br>(Unaudited) | 2013<br>HK\$<br>(Unaudited)              | 2012<br>HK\$<br>(Unaudited) |
| Profit attributable to equity holders of<br>the Company for the purpose of<br>basic and diluted earnings per share | <b><u>(30,443,273)</u></b>                | <u>29,801,248</u>           | <b><u>(62,770,742)</u></b>               | <u>82,517,963</u>           |
|  | Number of shares                          |                             | Number of shares                         |                             |
|  | 2013<br>(Unaudited)                       | 2012<br>(Unaudited)         | 2013<br>(Unaudited)                      | 2012<br>(Unaudited)         |
| Weighted average number of<br>ordinary shares for the purpose of<br>basic earnings per share                       | <b>927,600,000</b>                        | 927,600,000                 | <b>927,600,000</b>                       | 927,600,000                 |
| Effect of dilutive potential<br>ordinary shares: share options   | <u>–</u>                                  | <u>17,626,087</u>           | <u>–</u>                                 | <u>9,763,253</u>            |
| Weighted average number of<br>ordinary shares for the purpose of<br>diluted earnings per share                     | <b><u>927,600,000</u></b>                 | <u>945,226,087</u>          | <b><u>927,600,000</u></b>                | <u>937,363,253</u>          |

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Review of Financial Performance**

The Group recorded a turnover of approximately HK\$132,790,000 for the nine months ended 31 December 2013, representing a decrease of 29% when compared to the corresponding period in the last fiscal year. The decrease was mainly due to the revenue generated from computer service, hotel service and mining service businesses.

The direct cost was increased to approximately HK\$45,014,000 from approximately HK\$36,483,000 compared with the same period of last year. The decrease in gross profit margin was mainly due to increase in direct cost from computer services and mining services businesses, and the introduction of equine service business.

Administrative expenses were recorded an increase of 161% to approximately HK\$153,595,000 compared to approximately HK\$58,809,000 in 2012.

The loss after taxation for the three months period ended 31 December 2013 recorded as approximately HK\$38,827,000 as compared with profit approximately HK\$28,962,000 for the same period of last year.

The loss attributable to equity holders of the Company for the nine months ended 31 December 2013 was recorded as approximately HK\$62,771,000 as compared with profit approximately of HK\$82,518,000 for the same period of last year. The main reasons were mainly due to decrease in turnover for computer service, hotel service and mining service businesses, increase in administrative expenses arising from introduction of equine services business, and increase in interest incurred in convertible notes and long-term borrowing during the reporting period.

### **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 relatively stable and it gives a promising return to the Group.

On 27 March 2011, the Group acquired 35% of Yuet Sing Group Limited (“Yuet Sing”). Yuet Sing holds 100% of Risheng Century (Hubei) Mining Company Limited, which is engaged in vanadium mining and exploitation at Jingyang town, Jianshi County, Hubei province, PRC. Details of the Sale and Purchase Agreement are set out in the announcement. The mining which is estimated to have approximately 1,205 tons of measured and 54,000 tons of indicated resources for Vanadium Pentoxide ( $V_2O_5$ ), and 34,000,000 tons of indicated resource for SiO<sub>2</sub> according to a technical report prepared by SRK Consulting China Ltd. (“SRK”) (the “Technical Report”). The Group has achieved a breakthrough in the technology of extracting vanadium. It is expected to generate remarkable economic benefits for the Group.

## **Prospects**

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

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

Due to the Regulation of the Minister of Trade of the Republic of Indonesia No. 29/M-DAG/Per/5/2012 and the Regulation issued by the Director General of Minerals and Coal of the Republic of Indonesia No. 574.K/30/DJB/2012 concerning the export of mining products (the “Regulations”), iron ores produced from the two iron mines of the Company located in Padang and Ende of Indonesia (the “Two Iron Mines”) are not permitted to be exported from Indonesia, instead, they can only be sold locally before obtaining the required export approvals from the relevant authorities in Indonesia (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 granting 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 broaden the revenue base of the Group. In August 2013, the Group had completed a purchase of one of Australia’s largest stud farms, Eliza Park, in offering its clientele a total range of thoroughbred related services, including breeding, rearing, sales, agistment, spelling, education, administration advice and training.

Future plans include the purchase of bloodstock from the global marketplace, which would then be raised and traded when they reached a certain age. In addition, a research will be launched for building new pre-training and racing facilities which will include an uphill, all-weather, undercover training track, along with the training infrastructure. Eliza Park International Pty. Limited has every intention of living up to its name by taking its brand to the global stage.

## **Liquidity and Financial Resources**

As of 31 December 2013, the Group's net assets decreased by approximately HK\$83,182,000 from net assets of approximately HK\$1,080,497,000 as at 31 March 2013 to approximately HK\$997,315,000 as at 31 December 2013. The cash and bank balances as at 31 December 2013 was approximately HK\$52,494,000, representing a decrease of approximately 70% when compared with the balance as at 31 March 2013. The decrease was mainly due to working capital incurred in investment of equine service business in Australia during the reporting period. During the nine months ended 31 December 2013, the Group's operation was mainly financed by the internal financial resources of the Group.

The Company had repaid the loan amount of 8% coupon convertible notes on 9 December 2013 in USD6,729,960 equivalent amount of RMB41,261,385 which was the outstanding principal amount plus accretion and calculated interest thereon as of that date.

On 28 October 2013, the Board had proposed to raise not less than approximately HK\$46.4 million before expenses by issuing not less than 463,800,000 Offer Shares and not more than 590,554,891 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date. The results of the Open Offer will be announced in around mid February 2014.

## **Charges on Group Assets**

As at 31 December 2013, no plant and equipment of the Group was held under finance lease (2012: Nil).

## **Contingent Liabilities**

As at 31 December 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 arrangements to reduce the currency risk have been implemented.

## Employee Information

The total number of employees was 333 as at 31 December 2013 (2012: 365), and the total remuneration for the nine months ended 31 December 2013 was approximately HK\$47,469,000 (2012: HK\$28,388,000). 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 31 December 2013, the interests and short positions of the Directors and chief executive 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 Cheok Wa            | Corporate<br>(Note) | 271,655,000                    | Interest of a controlled corporation | 29.29%                      |
| Mr. Lee Chi Shing,<br>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 Cheok 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 31 December 2013 were as follows:

| Name of Director          | Date of grant | Number of share options | Exercised during the period | Share option lapsed | Exercise price of share options<br>HK\$ | Exercise period from | until      | Number of options outstanding as at 31 December 2013 |
|---------------------------|---------------|-------------------------|-----------------------------|---------------------|---|----------------------|------------|--|
| Mr. Chau Cheok 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 nine months ended 31 December 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 nine months ended 31 December 2013, 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 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 31 December 2013 and no share option was granted or exercised during the nine months ended 31 December 2013.

As at 31 December 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<br>HK\$ |
|---------------|-------------------------|-----------------------------|---------------------|----------------------------------|---|
|               | At 1 April 2013         | Exercised during the period | At 31 December 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                                    |
| 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                                    |
|               | <u>231,000,000</u>      | <u>–</u>                    | <u>231,000,000</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 31 December 2013, 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<br>(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<br>(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 Cheok Wa. Accordingly, both Mr. Cheng Ting Kong and Mr. Chau Cheok 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 31 December 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 nine months ended 31 December 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.

## **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.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices under Appendix 15 to the GEM Listing Rules throughout the nine months ended 31 December 2013.

## **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.

## **BOARD OF DIRECTORS**

As at the date of this announcement, 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, 10 February 2014