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)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

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.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement 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 designed website of this Company at http://www.sun8029.com/.

RESULTS

The Board of Directors (the "Board") of Sun International Resources Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively refer to as the "Group") for the year ended 31 March 2014 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014** *HK$*	2013 *HK$*
Turnover	*3*	**187,596,033**	239,725,206
Direct costs		**(77,933,792)**	(64,406,554)
Gross profit		**109,662,241**	175,318,652
Other operating income	*5*	**3,933,034**	5,379,722
Administrative expenses		**(184,894,693)**	(82,182,090)
Fair value change of biological assets		**(4,749,328)**	–
Fair value change of derivative financial instruments		**–**	(979,514)
Fair value change of investment properties		**–**	(6,203,173)
Share of losses of associates		**(324,852)**	(995,233)
Loss on early redemption of convertible notes		**–**	(951,964)
Impairment loss on intangible assets	*6*	**(532,019,176)**	(557,441,734)
Impairment loss on goodwill	*6*	**(49,371,093)**	(189,655,069)
Impairment loss on other assets		**(4,924,265)**	–
Gain on disposal of a subsidiary		**–**	61,315
Finance costs	*7*	**(16,958,249)**	(5,713,810)
Loss before taxation		**(679,646,381)**	(663,362,898)
Income tax credit	*8*	**125,677,633**	128,516,887
Loss for the year	*9*	**(553,968,748)**	(534,846,011)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences on translating foreign operations		**(786,508)**	(216,549)
Total comprehensive loss for the year		**(554,755,256)**	(535,062,560)
Loss for the year attributable to:			
Owners of the Company		**(338,869,482)**	(327,543,460)
Non-controlling interests		**(215,099,266)**	(207,302,551)
		(553,968,748)	(534,846,011)

	Notes	**2014** *HK$*	2013 *HK$*
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(343,070,574)**	(326,665,924)
Non-controlling interests		**(211,684,682)**	(208,396,636)
		(554,755,256)	(535,062,560)
Loss per share (HK cents per share)	*10*		(Restated)
Basic		**(50.78)**	(49.39)
Diluted		**(50.78)**	(49.39)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Intangible assets		**–**	533,000,000
Goodwill		**180,513,136**	229,884,229
Property, plant and equipment		**150,558,673**	50,632,022
Investment properties		**–**	74,000,000
Biological assets – non-current portion		**51,125,209**	–
Deferred tax assets		**1,331,547**	–
Interests in associates		**282,047,787**	280,468,084
		665,576,352	1,167,984,335
Current assets			
Inventories		**22,484,750**	25,436,616
Biological assets – current portion		**126,888,730**	–
Trade receivables	*12*	**62,843,747**	79,412,065
Prepayments, deposits and other receivables	*13*	**11,901,142**	15,049,747
Amounts due from non-controlling shareholders of a subsidiary		**9,360,000**	–
Tax recoverables		**10,046,528**	–
Bank balances and cash		**65,105,903**	172,901,735
		308,630,800	292,800,163
Current liabilities			
Accruals and other payables	*14*	**54,471,107**	31,137,855
Trade payables	*15*	**32,408,851**	7,710,773
Deposits received and deferred income		**38,710,151**	1,083,336
Convertible notes		**–**	45,123,469
Promissory note		**140,000,000**	–
Tax payables		**–**	3,724,988
		265,590,109	88,780,421
Net current assets		**43,040,691**	204,019,742
Total assets less current liabilities		**708,617,043**	1,372,004,077

	Notes	**2014**	2013
		HK$	*HK$*
Non-current liabilities			
Interest-bearing borrowing		**101,226,337**	–
Deferred taxation		**517,564**	126,156,559
Promissory note		**–**	140,000,000
Amount due to a non-controlling shareholder of a subsidiary		**25,350,000**	25,350,000
		127,093,901	291,506,559
Net assets		**581,523,142**	1,080,497,518
Capital and reserves			
Share capital		**55,656,000**	37,104,000
Reserves		**540,661,005**	855,903,579
Equity attributable to owners of the Company		**596,317,005**	893,007,579
Non-controlling interests		**(14,793,863)**	187,489,939
Total equity		**581,523,142**	1,080,497,518

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners the Company										
	Share Capital	Share Premium	Capital Redemption Reserve	Merger Reserve	Share Options Reserve	Convertible Notes Reserve	Translation Reserve	Retained Profits/ (Accumulated losses)	Sub-total	Non-Controlling Interests	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2012	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
Loss for the year	–	–	–	–	–	–	–	(327,543,460)	(327,543,460)	(207,302,551)	(534,846,011)
Other comprehensive loss:											
Currency translation differences on translating foreign operations	–	–	–	–	–	–	877,536	–	877,536	(1,094,085)	(216,549)
Total comprehensive loss for the year ended 31 March 2013	–	–	–	–	–	–	877,536	(327,543,460)	(326,665,924)	(208,396,636)	(535,062,560)
Transactions with owners:											
Redemption of convertible notes	–	–	–	–	–	(4,345,260)	–	–	(4,345,260)	–	(4,345,260)
Total transactions with owners of the Company	–	–	–	–	–	(4,345,260)	–	–	(4,345,260)	–	(4,345,260)
At 31 March 2013 and 1 April 2013	**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 year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(338,869,482)**	**(338,869,482)**	**(215,099,266)**	**(553,968,748)**
Other comprehensive loss:											
Currency translation differences on translating foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**(4,201,092)**	**–**	**(4,201,092)**	**3,414,584**	**(786,508)**
Total comprehensive loss for the year ended 31 March 2014	**–**	**–**	**–**	**–**	**–**	**–**	**(4,201,092)**	**(338,869,482)**	**(343,070,574)**	**(211,684,682)**	**(554,755,256)**
Transactions with owners:											
Redemption of convertible notes	**–**	**–**	**–**	**–**	**–**	**(9,694,384)**	**8,285,780**	**1,408,604**	**–**	**–**	**–**
Open offer	**18,552,000**	**27,828,000**	**–**	**–**	**–**	**–**	**–**	**–**	**46,380,000**	**–**	**46,380,000**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,400,880**	**9,400,880**
Total transactions with owners of the Company	**18,552,000**	**27,828,000**	**–**	**–**	**–**	**(9,694,384)**	**8,285,780**	**1,408,604**	**46,380,000**	**9,400,880**	**55,780,880**
At 31 March 2014	**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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2014

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention except for certain properties and financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has adopted all the new and revised HKFRSs issued by HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2013. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int").

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKFRS 1	Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
HK (IFRIC*) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

* *IFRIC represents the International Financial Reporting Interpretations Committee*

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories; (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (revised 2011) and HKAS 28 (revised 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (revised 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SlC)-lnt 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor controls an investee if and only if it has (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusions.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements for both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions within the scope of HKFRS 2 Share-based Payment, leasing transactions within the scope of HKAS 17 Leases and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

HKFRS 13 has been applied prospectively as of the beginning of the annual period and resulted in additional disclosure as set out in the consolidated financial statements. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[c]
HKFRS 14	Regulatory Deferral Accounts[d]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[b]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[b]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[c]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[a]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[b]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[a]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[a]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[a]
HK(IFRIC) – Int 21	Levies[a]

(a) Effective for annual periods beginning on or after 1 January 2014.
(b) Effective for annual periods beginning on or after 1 July 2014.
(c) HKFRS 9, as amended in December 2013, amended the mandatory effective date of HKFRS 9. The mandatory effective date is not specified in HKFRS 9 but will be determined when the outstanding phases are finalised. However, application of HKFRS 9 is permitted.
(d) Effective for annual periods beginning on or after 1 January 2016.

The directors of the Company anticipate that, except as described below, the application of the/other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The effective date of HKFRS 9 is not yet determined. However, earlier application is permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

The Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments to HKAS 32 are effective for annual periods beginning on or after 1 January 2014 with early application permitted and require retrospective application.

The directors of the Company anticipate that the application of the amendments to HKAS 32 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit is catergorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

- a description of the valuation techniques used to measure the fair value less costs of disposals. If there is any change in valuation techniques, the fact and the reason should also be disclosed;

- each key assumption on which management has based its determination of fair value less costs of disposal;

- the discount rates used in the current and previous measurement if fair value less costs of disposal is measured using a present value technique.

The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied, and require retrospectively application.

The directors of the Company anticipate that the application of the amendments to HKAS 36 may result in additional disclosures being made with regard to the impairment assessment on non-financial assets.

3. TURNOVER

Turnover represents the aggregate of amounts received and receivable from (i) services provided to customers; (ii) goods sold to customers; (iii) hotel rental income and (iv) equine services income and is analysed as follows:

	2014	2013
	HK$	*HK$*
Computer software solution and services income	**101,179,227**	140,214,793
Equine services income	**55,716,082**	–
Hotel services income	**24,835,909**	85,172,407
Mining services income	**3,694,383**	9,697,641
Entertainment operations	**2,170,432**	4,640,365
	187,596,033	239,725,206

4. SEGMENT INFORMATION

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

Business segments

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

For management purposes, the Group is currently organised into five business segments as follows:

Computer software solution and services	–	provision of computer hardware and software services
Equine services	–	provision of Stallions services, trading and breeding of Bloodstocks
Hotel services	–	provision of hotel operation and management services
Mining services	–	provision of mining iron ores and minerals
Entertainment operations	–	production and distribution of motion pictures and model agency services and provision of other film related services

Statement of profit or loss
For the year ended 31 March 2014

	Computer software solution and services HK$	Equine services HK$	Hotel services HK$	Mining services HK$	Entertainment operations HK$	Others HK$	Total HK$
Turnover							
External sales	**101,179,227**	**55,716,082**	**24,835,909**	**3,694,383**	**2,170,432**	**–**	**187,596,033**
(Loss)/Earning before interest, tax and depreciation	**43,858,286**	**(67,088,511)**	**(63,962,286)**	**(542,576,676)**	**(857,235)**	**(5,327,883)**	**(635,954,305)**
Depreciation	**(959,080)**	**(1,250,981)**	**(4,010,690)**	**(2,689,696)**	**(2,293)**	**(7,034,174)**	**(15,946,914)**
Finance costs	**–**	**(858,848)**	**–**	**–**	**–**	**–**	**(858,848)**
Result							
Segment result	**42,899,206**	**(69,198,340)**	**(67,972,976)**	**(545,266,372)**	**(859,528)**	**(12,362,057)**	**(652,760,067)**
Unallocated corporate expenses							**(10,786,913)**
Finance costs							**(16,099,401)**
Loss before tax							**(679,646,381)**
Income tax credit							**125,677,633**
Loss for the year							**(553,968,748)**

Consolidated balance sheet
As at 31 March 2014

	Computer software solution and services HK$	Equine services HK$	Hotel services HK$	Mining services HK$	Entertainment operations HK$	Others HK$	Total HK$
Assets							
Segment assets	**245,519,154**	**308,848,756**	**75,929,204**	**313,668,081**	**7,732**	**26,223,706**	**970,196,633**
Unallocated corporate assets							**4,010,519**
Consolidated total assets							**974,207,152**
Liabilities							
Segment liabilities	**6,270,880**	**75,752,071**	**20,276,682**	**48,269,816**	**30,000**	**82,988**	**150,682,437**
Unallocated corporate liabilities							**242,001,573**
Consolidated total liabilities							**392,684,010**

Statement of profit or loss
For the year ended 31 March 2013

	Computer software solution and services HK$	Hotel services HK$	Mining services HK$	Entertainment operations HK$	Others HK$	Total HK$
Turnover						
External sales	140,214,793	85,172,407	9,697,641	4,640,365	–	239,725,206
(Loss)/Earning before interest, tax and depreciation	(58,022,159)	12,929,033	(568,297,764)	(12,014,571)	(13,246,317)	(638,651,778)
Depreciation	(930,435)	(2,336,260)	(3,195,329)	(5,686)	(5,360,716)	(11,828,426)
Finance costs	–	–	(404)	–	–	(404)
Result						
Segment result	(58,952,594)	10,592,773	(571,493,497)	(12,020,257)	(18,607,033)	(650,480,608)
Unallocated corporate income						560
Unallocated corporate expenses						(7,169,444)
Finance costs						(5,713,406)
Loss before tax						(663,362,898)
Income tax credit						128,516,887
Loss for the year						(534,846,011)

Consolidated balance sheet
As at 31 March 2013

	Computer software solution and services HK$	Hotel services HK$	Mining services HK$	Entertainment operations HK$	Others HK$	Total HK$
Assets						
Segment assets	284,319,672	167,962,547	593,173,306	9,303,175	310,011,598	1,364,770,298
Unallocated corporate assets						96,014,200
Consolidated total assets						1,460,784,498
Liabilities						
Segment liabilities	3,036,301	13,151,588	173,875,173	4,469,029	152,151	194,684,242
Unallocated corporate liabilities						185,602,738
Consolidated total liabilities						380,286,980

Geographical segments

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

	2014	2013
	HK$	*HK$*
Hong Kong	**55,951,084**	102,728,158
Australia	**55,039,657**	–
Macau	**48,075,000**	42,127,000
The Philippines	**24,835,909**	85,172,407
Indonesia	**3,694,383**	9,697,641
	187,596,033	239,725,206

The following table provides an analysis of the Group's non-current assets by reference to the geographical area in which they are located:

	2014	2013
	HK$	*HK$*
Hong Kong	**482,364,300**	491,187,563
Australia	**104,719,810**	–
Macau	**108,497**	131,509
The Philippines	**70,845,569**	127,825,545
Indonesia	**7,538,176**	548,839,718
	665,576,352	1,167,984,335

5. OTHER OPERATING INCOME

	2014	2013
	HK$	*HK$*
Other operating income comprised of the followings:		
Exchange gain	**–**	2,443,397
Gain on disposal of property, plant and equipment	**100,944**	30,846
Interest income	**1,256,941**	1,196,360
Sundry income	**2,575,149**	1,709,119
	3,933,034	5,379,722

6. IMPAIRMENT LOSS ON INTANGIBLE ASSETS AND GOODWILL

a) Impairment testing of intangible assets

During the year ended 31 March 2014, the directors of the Company appointed an independent professional valuer, Roma Appraisals Limited, to perform a mining rights valuation with respect to mines situated at Padang and Ende, Indonesia and impairment loss amounting to HK$532,019,176 (2013: HK$557,441,734) has been recognised according to the shortfall between the recoverable amount and the aggregate carrying amounts of the mining rights (being the Cash Generating Unit to which the mining unit has been allocated) based on the valuation report. The value in use calculation is based on a discount rate of 19.36% (2013: 18.81%) and cash flow projections prepared from the financial forecasts approved by the directors of the Company covering a 13-year period (for Padang) and 16-year period (for Ende). And owing to the export restriction of the subsidiaries in Indonesia, the selling price of iron ore adopted for valuation was significantly below the current export market price. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the Group's past performance on mining services and management's expectations for the market development.

b) Impairment testing of goodwill

During the year ended 31 March 2014, the directors of the Company reassessed the recoverable amount of the Cash Generating Units ("CGU") of computer software solution and services and hotel services with reference to the valuation performed by Messrs. Asset Appraisal Limited and Grant Sherman Appraisal Limited respectively, independent qualified professional valuers and determined that no impairment loss (2013: impairment loss HK$159,725,686) on goodwill associated with the CGU of computer software solution and services, and impairment loss HK$49,371,093 (2013: HK$29,929,383) on goodwill associated with the CGU of hotel services were identified respectively.

The recoverable amount of the goodwill allocated to computer software solution and services segment was assessed by reference to value-in-use model which based on a six years cash flow projection approved by the directors of the Company with a zero growth rate (2013: zero). A discount rate of approximately 16.61% (2013: 15%) per annum was applied in the value-in-use model when assessing the recoverability of the goodwill. There are a number of assumptions and estimates involved for the preparation of the cash flow projection. Key assumptions included gross margin and discount rate which are determined by the management of the Group based on past performance and its expectation for market development. Gross margin are budgeted gross margin. The discount rate used is pre-tax and reflect specific risks relating to the industry.

The recoverable amount of the goodwill allocated to hotel services segment was assessed by reference to discounted cash flow model which based on 18.5 years (2013: 19.5 years) cash flow projection approved by directors of the Company with a 6.5% growth rate for first 10 years and then with 3.5% growth rate annually (2013: zero) and a discount rate of 15.18% (2013: 15.63%) per annum for valuing the business enterprise of hotel services. The value of goodwill includes the value of assembled workforce. Key assumptions included there are no major changes in the existing political, legal and economic conditions in the Philippines where the hotel services segment carries its business. Other assumption included it has an operating period of the resort until 2032.

7. FINANCE COSTS

	2014	2013
	HK$	*HK$*
Finance costs comprised of the followings:		
Effective interest expense on convertible notes	**6,123,065**	5,713,406
Interest expenses on deferred payments	**858,848**	–
Interest on finance leases	**–**	404
Interest expenses on interest-bearing borrowing wholly repayable within five years	**3,226,236**	–
Handling charges for interest-bearing borrowing	**6,750,100**	–
	16,958,249	5,713,810

8. INCOME TAX CREDIT

	2014	2013
	HK$	*HK$*
The income tax credit/(expense) comprises:		
Current tax:		
Hong Kong Profits Tax	**28,762**	(8,195,228)
Other than Hong Kong	**(1,321,671)**	(2,648,319)
	(1,292,909)	(10,843,547)
Deferred tax:		
Reversal of deferred tax liabilities in respect of intangible assets	**125,638,995**	139,360,434
Recognition of deferred tax assets in respect of other temporary differences	**1,331,547**	–
	126,970,542	139,360,434
Income tax credit for the year	**125,677,633**	128,516,887

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

The income tax credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2014	2013
	HK$	*HK$*
Loss before taxation	**(679,646,381)**	(663,362,898)
Tax credit at the Hong Kong Profits tax rate of 16.5%	**112,141,653**	109,454,878
Tax effect of income not taxable for tax purposes	**10,203,742**	8,321,636
Tax effect of expenses not deductible for tax purposes	**(13,092,715)**	(39,430,845)
Overprovision of prior years	**28,762**	2,102
Effect of different tax rate for subsidiaries operating in other jurisdictions	**50,048,938**	52,714,562
Tax effect of tax losses not recognised	**(31,618,151)**	(2,474,478)
Effect of unrecognised temporary differences	**(2,034,596)**	(70,968)
Income tax credit for the year	**125,677,633**	128,516,887

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2014	2013
	HK$	*HK$*
Staff costs:		
Directors' emoluments	**5,138,166**	3,385,009
Salaries and other benefits	**46,728,800**	38,265,152
Retirement benefit scheme contributions (excluding directors)	**2,804,849**	866,721
Total employees benefit expenses	**54,671,815**	42,516,882
Depreciation on property, plant and equipment	**15,946,914**	11,828,426
Cost of inventories and services	**77,933,792**	64,406,554
Fair value change on convertible notes	**–**	109,017
Auditor's remuneration	**1,747,168**	1,339,549
Losses on disposal of property, plant and equipment	**716,846**	–
Provision for bad debts	**599,968**	–
and after crediting:		
Gross rental income from investment properties	**–**	79,350,882

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2014	2013
	HK$	*HK$*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(338,869,482)**	(327,543,460)

	2014	2013 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share *(Note 1)*	**667,325,605**	663,234,000
Effect of dilutive potential ordinary shares:		
Share options *(Note 2)*	**–**	–
Convertible notes *(Note 3)*	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**667,325,605**	663,234,000

Notes:

(1) The weighted average number of ordinary shares for 2013 has been retrospectively adjusted and restated to take into account the impact of open offer and the share consolidation completed in 2014.

(2) The computation of the diluted loss per share for the years ended 31 March 2014 and 2013 does not assume the exercise of Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

(3) The computation of diluted loss per share for the year ended 31 March 2013 does not assume the conversion of the outstanding convertible notes as their assumed conversion would result in a decrease in loss per share for 2013. There are no outstanding convertible notes in 2014.

11. DIVIDENDS

No final dividend was proposed by the Board for the year ended 31 March 2014 (2013: Nil).

12. TRADE RECEIVABLES

	2014	2013
	HK$	*HK$*
Trade receivables	**63,443,715**	79,412,065
Less: Provision for bad debts	**(599,968)**	–
	62,843,747	79,412,065

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

	2014 *HK$*	2013 *HK$*
Within 30 days	**23,464,820**	19,400,409
31–60 days	**26,397,817**	17,039,733
61–90 days	**1,061,396**	12,370,523
Over 90 days	**11,919,714**	30,601,400
	62,843,747	79,412,065

The average credit period on the trade receivables is 30-180 days. The carrying amounts of the trade receivables are mainly denominated in Hong Kong Dollars and Australian Dollars. The age of trade receivables which are past due but not impaired were as follows:

	2014 *HK$*	2013 *HK$*
Within 30 days	**–**	–
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**1,784,354**	659,105
	1,784,354	659,105

Trade receivables of HK$1,784,354 (2013: HK$659,105) that were past due for over 90 days (2013: over 90 days) but not impaired for. These balances related to a number of customers that have good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the directors of the Company considered any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The directors of the Company consider that the carrying amounts of the Group's trade receivables at the reporting date were approximate to their fair values.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 *HK$*	2013 *HK$*
Prepayments	**4,429,006**	1,273,800
Deposits	**4,030,401**	3,285,438
Other receivables and advance payments	**3,441,735**	10,490,509
	11,901,142	15,049,747

The directors of the Company consider that the carrying amounts of the Group's prepayments, deposits and other receivables at the reporting date were approximate to their fair values.

14. ACCRUALS AND OTHER PAYABLES

	2014	2013
	HK$	*HK$*
Accruals	**20,657,797**	10,085,495
Other payables	**30,522,870**	21,052,360
Provision of long service leave and annual leave	**3,290,440**	–
	54,471,107	31,137,855

The directors of the Company consider that the carrying amounts of the Group's accruals and other payables at the reporting date were approximate to their fair values.

15. TRADE PAYABLES

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

	2014	2013
	HK$	*HK$*
Within 30 days	**25,385,194**	5,562,425
31–90 days	**4,952,574**	191,848
91–120 days	**–**	20,972
Over 180 days	**2,071,083**	1,935,528
	32,408,851	7,710,773

The average credit period on trade payables is 90 days (2013: 90 days). The Group has financial risk management policies in place to ensure all payables are settled within the credit timetable.

The directors of the Company consider that the carrying amounts of the Group's trade payables at the reporting date were approximate to their fair values.

16. RELATED PARTY TRANSACTIONS

The Group had the following transactions and balances with related parties during the year.

(a) Balances with related parties in which the relevant director(s) have an interest:

	2014	2013
	HK$	*HK$*
Included in Prepayments, deposits and other receivables Amount due from a related party which is controlled by Mr. Cheng Ting Kong	**1,143,673**	–
Included in Trade receivables Amount due from a related party which is controlled by Mr. Cheng Ting Kong	**40,000**	–
Included in Prepayments, deposits and other receivables Amount due from a related party which is controlled by Ms. Yeung So Lai, Ms. Cheng Mei Ching, Mr. Lee Chi Shing, Caesar and Mr. Chau Cheok Wa	**–**	1,203,287
Included in Prepayments, deposits and other receivables Amount due from a related party which is controlled by Ms. Yeung So Lai and Mr. Lee Chi Shing, Caesar	**–**	13,700

(b) Transactions with related parties in which the relevant director(s) have an interest:

	2014	2013
	HK$	*HK$*
Included in Administrative expenses Advertising expenses paid to a related company which is beneficially owned and controlled by Ms. Cheng Mei Ching	**200,000**	–
Included in Turnover Services fee income received from a related company which is beneficially owned and controlled by Mr. Cheng Ting Kong	**200,000**	–
Included in Turnover Bloodstock sales income received from a related company which is beneficially owned and controlled by Mr. Cheng Ting Kong	**1,840,982**	–
The Group acquired 10% equity interest of a subsidiary Sun United Racing Limited, from Mr. Lo Kai Bong	**1,560,000**	–
Included in Administrative expenses Advertising expenses paid to a related company which is beneficially owned and controlled by Mr. Cheng Ting Kong	**–**	1,000,000

The transactions with related parties were entered into in the ordinary course of business between the Group and its related parties on terms as mutually agreed.

(c) Other

The Company's interest-bearing borrowing amounting to HK$101,226,337 at 31 March 2014 was advanced by a financial institution with a facility limit of HK$150,000,000. The interest-bearing borrowing and the facility were secured by i) personal guarantees from Mr. Cheng Ting Kong, a director of the Company and Mr. Chau Cheok Wa, a former director of the Company; ii) a corporate guarantee by a related company, Power Ocean Holdings Limited in which Mr. Cheng Ting Kong and Mr. Chau Cheok Wa have a beneficial interest; and iii) Pledges of listed securities held in account of Power Ocean Holdings Limited, the Company and/or any third parties with the financial institution.

17. EVENTS AFTER REPORTING PERIOD

i) Pursuant to the announcement dated 16 April 2014, the Group announced that Eliza Park International Pty Limited ("Eliza Park"), an indirect wholly-owned subsidiary of the Company, entered into a master service agreement (the "Master Service Agreement") with Sun Bloodstock Pty Limited ("Sun Bloodstock"), a company wholly owned by Mr. Cheng Ting Kong. Pursuant to the Master Service Agreement, Sun Bloodstock has agreed to engage Eliza Park or other Group's subsidiaries for the horse racing related services including but not limited to breeding , rearing, sales, agistment, spelling, education, administration, advice and training of horses to be provided by Eliza Park or other Group's subsidiaries from time to time.

ii) Pursuant to the announcement dated 2 May 2014, the Group announced that Loyal King Investments Limited ("Loyal King"), an indirect wholly-owned subsidiary of the Company and Mr. Tam Kit Keung, an existing manager of Alliance Computer Systems Limited ("AC Systems"), an indirect subsidiary of the Company, entered into the share sale agreement (the "Share Sale Agreement"), which Loyal King has agreed to sell 60% of the issued share capital of the AC Systems to Mr. Tam Kit Keung for a cash consideration of HK$6,200,000. The Group no longer held any shares of AC Systems after completion of this transaction. Loyal King subsequently recognized a gain on disposal amounting to HK$2,721,200.

iii) Pursuant to the announcement dated 8 May 2014, Sun Kingdom Pty Limited ("Sun Kingdom"), an indirect wholly owned subsidiary of the Company, entered into the acquisition agreement (the "Acquisition Agreement") with the independent third parties vendors. Pursuant to the Acquisition Agreement, Sun Kingdom agreed to purchase 100% title to and ownership interest in a horse at an aggregate consideration of approximately HK$32,670,000.

iv) Pursuant to the announcements dated 1 April 2014 and 23 May 2014, the Group as the issuer and Convoy Investment Services Limited as the placing agent entered into a placing agreement for the purpose of arranging the placees for the subscription for the three-year 9.5% coupon unlisted straight bonds with an aggregate principal amount of up to HK$200,000,000. The placing period was extended to 31 July 2014.

18. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified and restated to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The Group recorded a turnover of approximately HK$187,600,000 for the year ended 31 March 2014 which was decreased 22% compared to the turnover of approximately HK$239,700,000 in the last fiscal year. The revenue was mainly generated from the subsidiaries engaging in information technology related businesses, hotel businesses, equine services businesses and entertainment businesses. The decrease in turnover was mainly due to income generated from computer services business and hotel businesses.

The direct costs were increased to approximately HK$78,000,000 from approximately HK$64,000,000 recorded during last year. The decrease of 37% in gross profit percentage was mainly due to the decrease in sales turnover and the increase in direct cost generated from hotel, mining and computer services businesses. The staff costs were increased to approximately HK$54,670,000 (2013: HK$42,520,000). The increase was mainly due to introduction of equine services business during the financial year.

Administrative expenses made an increase of 125% to approximately HK$185,000,000 compared to HK$82,000,000 in 2013. The increase was mainly due to introduction of equine services business during the financial year.

The net loss of the Group for the year ended 31 March 2014 was approximately HK$554,000,000 as compared with the net loss of approximately HK$534,800,000 of the last fiscal year. The reason of the loss was mainly due to impairment adjustments arising from change in fair value of intangible assets and goodwill for the financial year.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2014, the Group had current assets of approximately HK$309,000,000 (2013: HK$293,000,000). The Group's current ratio, calculated on the basis of current assets of approximately HK$309,000,000 (2013: HK$293,000,000) over current liabilities of approximately HK$266,000,000 (2013: HK$89,000,000) was at level of approximately 1.2:1 (2013: 3:1). The bank balances as at 31 March 2014 was approximately HK$65,000,000 as compared to the balance of approximately HK$173,000,000 as at 31 March 2013. The Group had interest-bearing borrowing of approximately HK$101,200,000 (2013: Nil) at the end of the financial year.

The Group had redeemed the convertible notes in equivalent amount of RMB38,600,000 (2013: RMB34,600,000) which was the outstanding principal amount plus 5% accretion and calculated interest thereon. At the end of the financial year, the equity attributable to Company's equity owners amounting to approximately HK$596,000,000 (2013: HK$893,000,000), representing a decrease of approximately 33% compared to 2013.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Gearing Ratio

The gearing ratio, is calculated as borrowings divided by total equity, was approximately 45.8% (31 March 2013: 19%).

Employee Information

The total number of employees was 349 as at 31 March 2014 (2013: 412), and the total remuneration for the year ended 31 March 2014 was approximately HK$54,670,000 (2013: HK$42,520,000). 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 on case by case basis. The Group may offer share options to reward employees who make significant contributions, in order to retain key and crucial staff. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

Charges on Group Assets

As at 31 March 2014, no property, plant and equipment of the Group was held under finance leases (2013: Nil).

Contingent Liabilities

As at 31 March 2014, the Group did not have significant contingent liabilities (2013: Nil).

Foreign Exchange Exposure

The income and expenditure of the Group are 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 other arrangements to reduce the currency risk have been implemented.

Dividend

No final dividend was proposed by the Directors for the year ended 31 March 2014 (2013: Nil).

Business Review

For the year ended under review, the demand for natural resources remains stable. 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.

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.

For the operation of the resort hotel in Cagayan, Philippines, the Group aims at improving the occupancy rate of the resort by inputting cost and resources for continuous advertising and marketing expenditures for sales promotion. The relevant action plan comprises using of brochures, leaflets, TV broadcasting, road posters, LED screen as promotion media, and making agreement with travel agency for advertising purpose.

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.

By 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. As the demand for race horses has covered quickly since 2008, due to the resuming economies, latest development of horse racing business particularly in Asia and the increasing prize sums for races in Australia, 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.

OUTLOOK AND DEVELOPMENT

The board of directors has always tried its best to improve the efficiency and effectiveness of the operation so as to enhance the group value.

Business Development

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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2014.

PRE-EMPTIVE RIGHTS

There is 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.

AUDIT COMMITTEE

The audit committee comprises three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Wang Zhigang. All of them are independent non-executive Directors of the Company and Mr. Tou Kin Chuen was appointed as the Chairman of the Audit Committee.

The primary duties of the audit committee are to review the Company's annual and quarterly financial reports and to provide advice and comments thereon to the Board of Directors. Two audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2014 have been reviewed by the audit committee, which is of the opinion that the preparation of such consolidated financial statements complies with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

According to the Code on Corporate Governance Practices, the Company established its remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen 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.

CORPORATE GOVERNANCE

None of the Company's Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the financial report, in compliance with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules.

PUBLICATION OF ANNUAL REPORT ON THE GEM WEBSITE

The annual report of the Company contains all the information required by the GEM Listing Rules will be published on the GEM website in due course.

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

Hong Kong, 30 June 2014

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.