



**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 2012**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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## RESULTS

The Board of Directors (the “Board”) of Sun International Resources Limited (formerly known as Sun International Group 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 2012 together with the comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	2012 HK\$	2011 HK\$
Turnover	3	234,092,979	201,294,347
Direct costs		<u>(39,369,324)</u>	<u>(45,114,349)</u>
Gross profit		194,723,655	156,179,998
Other operating income	5	6,677,876	2,580,230
Administrative expenses		(74,145,603)	(78,877,637)
Amortization		(15,570,581)	(5,867,749)
Fair value change of derivative financial instruments		(4,038,397)	(3,494,504)
Finance costs	6	(7,836,548)	(6,908,774)
Loss on redemption of convertible notes		(5,967,223)	–
Share of losses of associates		(1,458,809)	–
Share-based payment expenses		<u>–</u>	<u>(11,147,191)</u>
Profit before taxation		92,384,370	52,464,373
Income tax expense	7	<u>(11,152,410)</u>	<u>52,609,083</u>
<b>Profit for the year</b>	8	<b>81,231,960</b>	105,073,456
<b>Other comprehensive loss:</b>			
Currency translation differences		<u>(7,866,750)</u>	<u>(838,262)</u>
<b>Total comprehensive income for the year</b>		<b><u>73,365,210</u></b>	<b><u>104,235,194</u></b>
<b>Profit for the year attributable to:</b>			
Equity holders of the Company		87,572,918	68,744,271
Non-controlling interests		<u>(6,340,958)</u>	<u>36,329,185</u>
		<b><u>81,231,960</u></b>	<b><u>105,073,456</u></b>

	<i>Notes</i>	<b>2012</b> <b><i>HK\$</i></b>	2011 <i>HK\$</i>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Company		<b>80,703,378</b>	67,222,408
Non-controlling interests		<b>(7,338,168)</b>	37,012,786
		<b><u>73,365,210</u></b>	<u>104,235,194</u>
<b>Earnings per share (HK cents per share)</b>			
	<i>9</i>		
Basic		<b><u>9.44</u></b>	<u>7.48</u>
Diluted		<b><u>8.87</u></b>	<u>7.21</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	<i>Notes</i>	<b>2012</b> <b>HK\$</b>	2011 HK\$
<b>Non-current assets</b>			
Intangible assets		<b>1,092,237,070</b>	1,075,568,296
Goodwill		<b>419,539,298</b>	419,539,298
Exploration and evaluation assets		–	33,777,360
Property, plant and equipment		<b>32,301,084</b>	31,572,113
Investment properties		<b>76,652,958</b>	74,797,984
Interests in associates		<b>278,541,191</b>	280,000,000
		<b><u>1,899,271,601</u></b>	<u>1,915,255,051</u>
<b>Current assets</b>			
Inventories		<b>42,163,142</b>	22,066,917
Trade receivables	<i>11</i>	<b>140,462,427</b>	71,774,365
Prepayments, deposits and other receivables	<i>12</i>	<b>18,502,500</b>	15,662,550
Derivative financial instruments		<b>1,931,478</b>	11,939,750
Tax recoverable		<b>552,342</b>	961,471
Bank balances and cash		<b>57,501,651</b>	147,144,130
		<b><u>261,113,540</u></b>	<u>269,549,183</u>
<b>Current liabilities</b>			
Accruals and other payables	<i>14</i>	<b>21,891,052</b>	19,633,050
Trade payables	<i>13</i>	<b>2,253,482</b>	1,929,920
Deposits received		<b>1,063,611</b>	1,370,409
Amount due to a shareholder		<b>25,350,000</b>	25,350,000
Obligations under finance leases		<b>22,395</b>	101,784
Promissory note		<b>140,000,000</b>	–
Tax payables		<b>3,034,620</b>	2,561,096
		<b><u>193,615,160</u></b>	<u>50,946,259</u>
<b>Net current assets</b>		<b><u>67,498,380</u></b>	<u>218,602,924</u>
<b>Total assets less current liabilities</b>		<b><u>1,966,769,981</u></b>	<u>2,133,857,975</u>
<b>Non-current liabilities</b>			
Obligations under finance leases		–	23,153
Deferred taxation		<b>265,516,993</b>	269,409,638
Convertible notes		<b>81,347,650</b>	158,844,312
Promissory note		–	140,000,000
		<b><u>346,864,643</u></b>	<u>568,277,103</u>
<b>Net assets</b>		<b><u>1,619,905,338</u></b>	<u>1,565,580,872</u>
<b>Capital and reserves</b>			
Share capital		<b>37,104,000</b>	37,104,000
Reserves		<b>1,186,914,763</b>	1,124,452,129
<b>Equity attributable to equity holders of the Company</b>		<b>1,224,018,763</b>	1,161,556,129
<b>Non-controlling interests</b>		<b>395,886,575</b>	404,024,743
<b>Total equity</b>		<b><u>1,619,905,338</u></b>	<u>1,565,580,872</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Attributable to equity holders of the Company										
	Share Capital HK\$	Share Premium HK\$	Capital Redemption Reserve HK\$	Merger Deficit HK\$	Share Options Reserve HK\$	Convertible Notes Reserve HK\$	Translation Reserve HK\$	Retained Profits HK\$	Sub-total HK\$	Non-Controlling Interests HK\$	Total HK\$
At 1 April 2010	36,604,400	734,858,793	254,600	369,866	33,610,939	-	(235,839)	248,438,783	1,053,901,542	367,011,957	1,420,913,499
Profit for the year	-	-	-	-	-	-	-	68,744,271	68,744,271	36,329,185	105,073,456
Other comprehensive loss:											
Currency translation differences	-	-	-	-	-	-	(1,521,863)	-	(1,521,863)	683,601	(838,262)
Total comprehensive income for the year ended 31 March 2011	-	-	-	-	-	-	(1,521,863)	68,744,271	67,222,408	37,012,786	104,235,194
Share issue upon exercise of share options	499,600	12,388,376	-	-	(1,969,376)	-	-	-	10,918,600	-	10,918,600
Lapse of share options	-	-	-	-	(4,533,835)	-	-	4,533,835	-	-	-
Recognition of equity-settled share-based payment	-	-	-	-	11,147,191	-	-	-	11,147,191	-	11,147,191
Equity component of convertible notes	-	-	-	-	-	18,366,388	-	-	18,366,388	-	18,366,388
At 31 March 2011	37,104,000	747,247,169	254,600	369,866	38,254,919	18,366,388	(1,757,702)	321,716,889	1,161,556,129	404,024,743	1,565,580,872
At 1 April 2011	37,104,000	747,247,169	254,600	369,866	38,254,919	18,366,388	(1,757,702)	321,716,889	1,161,556,129	404,024,743	1,565,580,872
Profit for the year	-	-	-	-	-	-	-	87,572,918	87,572,918	(6,340,958)	81,231,960
Other comprehensive loss:											
Currency translation differences	-	-	-	-	-	-	(6,869,540)	-	(6,869,540)	(997,210)	(7,866,750)
Total comprehensive income for the year ended 31 March 2012	-	-	-	-	-	-	(6,869,540)	87,572,918	80,703,378	(7,338,168)	73,365,210
Dividend paid	-	-	-	-	-	-	-	(13,914,000)	(13,914,000)	-	(13,914,000)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(800,000)	(800,000)
Redemption of convertible notes	-	-	-	-	-	(4,326,744)	-	-	(4,326,744)	-	(4,326,744)
At 31 March 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

## 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), 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.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial period beginning on 1 April 2011.

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Right Issues
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HK(IFRIC) – Int 14 (Amendment)	Prepayment of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements Project	Improvements to HKFRSs 2010

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters <sup>(a)</sup>
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets <sup>(a)</sup>
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities <sup>(d)</sup>
HKFRS 9	Financial Instruments <sup>(f)</sup>
HKFRS 10	Consolidated Financial Statements <sup>(d)</sup>
HKFRS 11	Joint Arrangements <sup>(d)</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>(d)</sup>
HKFRS 13	Fair Value Measurement <sup>(d)</sup>
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income <sup>(c)</sup>
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets <sup>(b)</sup>
HKAS 19 (2011)	Employee Benefits <sup>(d)</sup>
HKAS 27 (2011)	Separate Financial Statements <sup>(d)</sup>
HKAS 28 (2011)	Investments in Associates and Joint Ventures <sup>(d)</sup>
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities <sup>(e)</sup>
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>(d)</sup>

- (a) *Effective for annual periods beginning on or after 1 July 2011.*  
 (b) *Effective for annual periods beginning on or after 1 January 2012.*  
 (c) *Effective for annual periods beginning on or after 1 July 2012.*  
 (d) *Effective for annual periods beginning on or after 1 January 2013.*  
 (e) *Effective for annual periods beginning on or after 1 January 2014.*  
 (f) *Effective for annual periods beginning on or after 1 January 2015.*

The Directors anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

### 3. TURNOVER

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

	<b>2012</b>	2011
	<b>HK\$</b>	<b>HK\$</b>
Computer software solution and services income	<b>142,345,748</b>	102,293,222
Hotel services income	<b>83,960,712</b>	82,919,089
Mining services income	<b>7,696,108</b>	11,178,679
Entertainment operations	<b>90,411</b>	4,903,357
	<b><u>234,092,979</u></b>	<b><u>201,294,347</u></b>

### 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 four business segments as follows:

Computer software solution and services	–	provision of computer hardware and software services
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 comprehensive income*  
For the year ended 31 March 2012

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Turnover</b>						
External sales	<u>142,345,748</u>	<u>83,960,712</u>	<u>7,696,108</u>	<u>90,411</u>	<u>-</u>	<u>234,092,979</u>
Earning before interest, tax, depreciation and amortization	110,281,750	45,653,626	(4,235,972)	(52,244)	(12,394,818)	139,252,342
Amortization	-	-	(15,570,581)	-	-	(15,570,581)
Depreciation	(866,530)	(2,529,991)	(3,359,661)	(11,852)	(1,098,210)	(7,866,244)
Finance cost	-	-	(8,791)	-	-	(8,791)
<b>Result</b>						
Segment result	<u>109,415,220</u>	<u>43,123,635</u>	<u>(23,175,005)</u>	<u>(64,096)</u>	<u>(13,493,028)</u>	115,806,726
Unallocated corporate income						6,125
Unallocated corporate expenses						(15,600,724)
Finance cost						(7,827,757)
Profit before taxation						92,384,370
Income tax expense						(11,152,410)
Profit for the year						<u>81,231,960</u>

*Consolidated balance sheet*  
As at 31 March 2012

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Assets</b>						
Segment assets	150,646,864	210,585,808	1,152,205,976	16,861,618	626,677,412	2,156,977,678
Unallocated corporate assets						3,407,463
Consolidated total assets						<u>2,160,385,141</u>
<b>Liabilities</b>						
Segment liabilities	4,092,879	2,892,965	311,543,090	37,216	80,263	318,646,413
Unallocated corporate liabilities						221,833,390
Consolidated total liabilities						<u>540,479,803</u>



*Statement of comprehensive income*  
For the year ended 31 March 2011

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Turnover</b>						
External sales	<u>102,293,222</u>	<u>82,919,089</u>	<u>11,178,679</u>	<u>4,903,357</u>	<u>-</u>	<u>201,294,347</u>
Earning before interest, tax, depreciation and amortization	73,838,764	39,381,078	(12,979,383)	2,422,521	(5,777,427)	96,885,553
Amortization	-	-	(5,778,324)	-	-	(5,778,324)
Depreciation	(927,857)	(2,395,175)	(2,510,217)	(25,249)	(390,060)	(6,248,558)
Finance cost	<u>-</u>	<u>-</u>	<u>(28,444)</u>	<u>-</u>	<u>(514)</u>	<u>(28,958)</u>
<b>Result</b>						
Segment result	<u>72,910,907</u>	<u>36,985,903</u>	<u>(21,296,368)</u>	<u>2,397,272</u>	<u>(6,168,001)</u>	84,829,713
Unallocated corporate income						14,486
Unallocated corporate expenses						<u>(32,379,826)</u>
Profit before taxation						52,464,373
Income tax expense						<u>52,609,083</u>
Profit for the year						<u>105,073,456</u>

*Consolidated balance sheet*  
As at 31 March 2011

	Computer software solution and services <i>HK\$</i>	Hotel services <i>HK\$</i>	Mining services <i>HK\$</i>	Entertainment operations <i>HK\$</i>	Others <i>HK\$</i>	Consolidated <i>HK\$</i>
<b>Assets</b>						
Segment assets	138,744,017	198,333,952	1,146,581,298	17,689,469	625,993,624	2,127,342,360
Unallocated corporate assets						<u>57,461,874</u>
Consolidated total assets						<u><u>2,184,804,234</u></u>
<b>Liabilities</b>						
Segment liabilities	4,058,554	2,943,668	312,850,210	31,400	140,070,343	459,954,175
Unallocated corporate liabilities						<u>159,269,187</u>
Consolidated total liabilities						<u><u>619,223,362</u></u>

**Geographical segments**

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

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Hong Kong	<b>142,436,159</b>	113,471,901
The Philippines	<b>83,960,712</b>	82,919,089
Indonesia	<b>7,696,108</b>	4,903,357
	<u><b>234,092,979</b></u>	<u>201,294,347</u>

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

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Hong Kong	<b>625,020,837</b>	623,159,855
The Philippines	<b>161,750,646</b>	163,352,697
Indonesia	<b>1,112,500,118</b>	1,128,742,499
	<u><b>1,899,271,601</b></u>	<u>1,915,255,051</u>

## 5. OTHER OPERATING INCOME

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Other operating income comprised of the followings:		
Interest income	1,222,787	1,249,429
Sundry income	4,361,583	1,330,801
Exchange gain	1,093,506	–
	<u>6,677,876</u>	<u>2,580,230</u>

## 6. FINANCE COSTS

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Interest on:		
Finance leases	8,791	28,958
Effective interest expense on convertible notes	7,827,757	6,879,816
	<u>7,836,548</u>	<u>6,908,774</u>

## 7. INCOME TAX EXPENSE

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	14,905,241	11,542,817
Other than Hong Kong	139,814	58,787
	15,045,055	11,601,604
Deferred tax:		
Reversal of deferred tax liability	(3,892,645)	(64,210,687)
	<u>11,152,410</u>	<u>(52,609,083)</u>

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

## 8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
Staff costs:		
Directors' emoluments	<b>3,765,994</b>	8,422,645
Salaries and other benefits	<b>36,880,070</b>	32,223,000
Share-based payment expenses	–	1,522,879
Retirement benefit scheme contributions (excluding directors)	<b>669,886</b>	570,981
	<hr/>	<hr/>
Total employees benefit expenses	<b>41,315,950</b>	42,739,505
	<hr/>	<hr/>
Amortization of intangible assets and exploration and evaluation assets	<b>15,570,581</b>	5,867,749
Depreciation on property, plant and equipment		
– owned assets	<b>7,843,379</b>	6,155,566
– financial leases assets	<b>22,865</b>	92,992
Loss on disposal of property, plant and equipment	–	421,997
Cost of inventories recognised as an expense	<b>2,281,024</b>	2,157,803
Auditor's remuneration	<b>1,294,047</b>	1,229,083
Share-based payment expenses	–	4,904,219
	<hr/> <hr/>	<hr/> <hr/>
and after crediting:		
Gross rental income from investment properties	<b>77,647,646</b>	77,580,750
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## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Earnings attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	<u><b>87,572,918</b></u>	<u>68,744,271</u>
	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>927,600,000</b>	919,123,808
Effect of dilutive potential ordinary shares: Share options	<u><b>59,252,518</b></u>	<u>34,815,395</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>986,852,518</b></u>	<u>953,939,203</u>

The basic and diluted earnings per share for the year ended 31 March 2011 have been adjusted and restated based on the earnings attributable to equity holders of the Company of HK\$68,744,271 and weighted average number of ordinary shares of 919,123,808 and 953,939,203 respectively as stated above.

## 10. DIVIDENDS

No final dividend was proposed by the Directors for the year ended 31 March 2012 (2011: HK\$1.5 cents per share).

## 11. TRADE RECEIVABLES

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

	<b>2012</b> <b>HK\$</b>	2011 <i>HK\$</i>
Within 30 days	<b>18,278,065</b>	24,446,802
31-60 days	<b>17,577,050</b>	18,171,700
61-90 days	<b>18,128,257</b>	17,157,098
Over 90 days	<b>86,479,055</b>	11,998,765
	<u><b>140,462,427</b></u>	<u>71,774,365</u>

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

	<b>2012</b> <b>HK\$</b>	2011 <i>HK\$</i>
31-60 days	<b>9,260,000</b>	–
61-90 days	<b>4,658,448</b>	–
Over 90 days	<u>–</u>	<u>–</u>
	<u><b>13,918,448</b></u>	<u>–</u>

Trade receivables of HK\$13,918,448 (2011: Nil) that were past due over 30-90 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 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 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 consider that the fair value of the Group's trade receivables at the reporting date were approximate their carrying amounts.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Deposits	7,674,405	2,689,366
Prepayments	2,810,005	3,315,724
Other receivables	8,018,090	9,657,460
	<u>18,502,500</u>	<u>15,662,550</u>

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

## 13. TRADE PAYABLES

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

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Within 30 days	223,900	–
31 – 90 days	96,205	–
91 – 120 days	163	–
Over 180 days	1,933,214	1,929,920
	<u>2,253,482</u>	<u>1,929,920</u>

The Directors consider that the fair value of the Group's trade payables at the reporting date were approximate their carrying amounts.

## 14. ACCRUALS AND OTHER PAYABLES

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Accruals	6,951,373	5,412,331
Other payables	14,939,679	14,220,719
	<u>21,891,052</u>	<u>19,633,050</u>

The Directors consider that the fair value of the Group's accruals and other payables at the reporting date were approximate their carrying amounts.

## 15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Performance

The Group recorded a turnover of approximately HK\$234,100,000 for the year ended 31 March 2012 which was increased 16% compared to the turnover of approximately HK\$201,300,000 in the last fiscal year. The revenue was mainly generated from the subsidiaries engaging in information technology related businesses, hotel businesses and natural resources businesses. The increase in turnover was mainly due to income generated from computer software solution and services income as new games were developed.

The direct costs were decreased to approximately HK\$39,000,000 from approximately HK\$45,100,000 recorded during last year. The increase 25% in gross profit percentage was mainly due to the increase in sales turnover generated from computer services. The decrease in staff costs to HK\$41,320,000 (2011: HK\$42,740,000) was mainly due to reduction in number of employees for this financial year.

Administrative expenses made a decrease of 6% to approximately HK\$74,000,000 compared to HK\$78,900,000 in 2011. The decrease was mainly due to the decrease in the operation cost of the mining businesses.

The net profit attributable to equity holders of the Company for the year ended 31 March 2012 was approximately HK\$81,200,000 as compared with the net profit of approximately HK\$105,100,000 of the last fiscal year. The reason of decrease was due to the increase in net loss from mining businesses and the increase in finance cost on convertible notes during the financial year.

### Liquidity and Financial Resources

As at 31 March 2012, the Group had current assets of approximately HK\$261,000,000 (2011: HK\$270,000,000). The Group's current ratio, calculated on the basis of current assets of approximately HK\$261,000,000 over current liabilities of approximately HK\$53,600,000 was at strong level of approximately 5:1 (2011: 5:1). The bank balances as at 31 March 2012 was approximately HK\$57,500,000 as compared to the balance of approximately HK\$147,100,000 as at 31 March 2011. The Group had no bank and other borrowings (2011: NIL) and a finance lease obligation of approximately HK\$22,000 (2011: HK\$125,000) at the end of the financial year.

The Group had redeemed the convertible notes in equivalent amount of RMB73,000,000 which was half the outstanding principal amount plus 5% accretion and calculated interest thereon. The outstanding principal amount of 8% coupon convertible notes with 13% yield in principal amount was RMB65,000,000 (equivalent to approximately HK\$80,000,000) during the year for the general working capital. At the end of the financial year, the equity attributable to Company's equity owners amounting to approximately HK\$1,620,000,000 (2011: HK\$1,565,600,000), representing an increase of approximately 3% compared to 2011.

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 14% (31 March 2011: 19%).

## **Employee Information**

The total number of employees was 439 as at 31 March 2012 (2011: 441), and the total remuneration for the year ended 31 March 2012 was approximately HK\$41,300,000 (2011: HK\$42,740,000). 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 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 2012, property, plant and equipment of the Group with net book value of approximately HK\$370,555 was held under finance leases (2011: HK\$394,210).

## **Contingent Liabilities**

As at 31 March 2012, the Group did not have significant contingent liabilities (2011: Nil).

## **Foreign Exchange Exposure**

The income and expenditure of the Group are denominated in Hong Kong Dollars, Indonesian Rupiah, PESO and Renminbi, 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 2012 (2011: HK\$1.5 cents per share).

## **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.

The operation of the resort hotel in Cagayan, the revenue generated from resort hotel is very stable and it gives a very promising return to the Group.

At the end of this financial year, both mines have completed in setting up all necessary machineries and stable income will be expected in the coming quarter.

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  $SiO_2$  according to a technical report prepared by SRK Consulting China Ltd. (“SRK”) (the “Technical Report”).

## **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 Group has successfully diversified its business into different sections from service industry like information technology to primary industry like mining. As the economy of China is growing very fast, the demand for different types of natural resources increases rapidly especially those for construction but the supply is limited. Hence, the board of directors believes that the investment in mining business is an excellent one. The Group also expects that the investment in this mining business will contribute a great revenue to the Group in future.

## **Human Resource**

As staff is one of the important assets. The board has appointed one new executive director and one independent director in mining industry to supervise the operation and advise the future trend of development.

The Group also has internal auditor to review and follow up compliance of the Group.

In addition, the board of director will expect to transfer the listing from GEM to Main Board while the Group has fulfilled all the listing requirements of the Main Board.

## **SUBSEQUENT EVENT**

There is no significant events occurring after the balance sheet date.

## **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 2012.

## **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. Five audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2012 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**  
**Chau Cheok Wa**  
*Chairman*

Hong Kong, 15 June 2012

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Chau Cheok Wa, Ms. Yeung So Lai, Ms. Cheng Mei Ching and Mr. Lee Chi Shing, Caesar and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen, Mr. Wang Zhigang.*