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 2017

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 2017 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 2017

	Notes	**2017** ***HK$***	2016 *HK$* (Restated)
Continuing operations			
Revenue	*4*	**107,889,307**	121,138,764
Direct costs		**(39,863,198)**	(49,925,699)
Gross profit		**68,026,109**	71,213,065
Other operating income	*6*	**6,337,777**	4,581,572
Administrative expenses		**(129,782,566)**	(122,457,848)
Finance costs	*7*	**(35,998,642)**	(25,571,776)
Fair value change of biological assets, net		**(9,108,865)**	(1,508,311)
Share of losses of associates		**(43,800)**	(35,653,059)
Loss on disposal of a subsidiary		**–**	(91)
Gain on disposal of associates		**14,753,487**	–
Impairment loss on goodwill	*12*	**–**	(6,528,059)
Impairment loss on amount due from non-controlling shareholders of a subsidiary		**–**	(9,360,000)
Fair value gain on breakeven guarantee		**–**	232,096
Loss before taxation		**(85,816,500)**	(125,052,411)
Income tax expense	*8*	**(68,428)**	(338,276)
Loss for the year from continuing operations		**(85,884,928)**	(125,390,687)
Discontinued operation			
Loss for the year from discontinued operation, net of income tax		**–**	(182,954)
Loss for the year	*9*	**(85,884,928)**	(125,573,641)
Other comprehensive (loss)/income:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences on translating foreign operations		**(1,890,682)**	30,274,868
Total comprehensive loss for the year		**(87,775,610)**	(95,298,773)

	Notes	**2017**	2016
		HK$	*HK$*
			(Restated)
Loss for the year attributable to:			
Owners of the Company			
– Continuing operations		**(85,358,958)**	(115,512,441)
– Discontinued operation		**–**	(182,954)
		(85,358,958)	(115,695,395)
Non-controlling interests			
– Continuing operations		**(525,970)**	(9,878,246)
– Discontinued operation		**–**	–
		(525,970)	(9,878,246)
		(85,884,928)	(125,573,641)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(87,249,640)**	(85,420,527)
Non-controlling interests		**(525,970)**	(9,878,246)
		(87,775,610)	(95,298,773)
Loss per share (HK cents per share)	*10*		
From continuing and discontinued operations			
– Basic and diluted		**(6.13)**	(8.32)
From continuing operations			
– Basic and diluted		**(6.13)**	(8.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2017

	Notes	2017 HK$	2016 HK$ (Restated)
Non-current assets			
Intangible assets		**2,503,208**	2,755,034
Goodwill	*12*	**53,037,756**	53,037,756
Property, plant and equipment		**51,420,369**	58,462,325
Other asset		**275,000**	350,000
Interests in associates		**–**	130,170,323
Biological assets – non-current portion		**42,536,204**	62,526,752
		149,772,537	307,302,190
Current assets			
Biological assets – current portion		**113,427,384**	121,906,841
Inventories		**218,526**	175,640
Loan receivable		**38,000,000**	30,000,000
Trade receivables	*13*	**10,936,585**	28,111,690
Advances to customers in margin financing		**60,072,809**	18,173,006
Prepayments, deposits and other receivables	*14*	**8,990,673**	11,937,933
Amount due from a related company		**–**	56,000
Bank balances and cash		**61,854,123**	105,525,721
Cash held on behalf of customers		**116,987,023**	171,968,670
		410,487,123	487,855,501
Current liabilities			
Trade payables	*15*	**124,828,674**	189,589,176
Accruals and other payables	*16*	**34,297,723**	28,079,016
Deposits received and deferred income		**1,513,248**	2,466,910
Amounts due to related companies		**113,514**	593,841
Medium-term bonds		**212,000,000**	–
Promissory note		**2,573,905**	140,000,000
Tax payables		**104,683**	24,713
		375,431,747	360,753,656
Net current assets		**35,055,376**	127,101,845
Total assets less current liabilities		**184,827,913**	434,404,035

	Notes	**2017** ***HK$***	2016 *HK$* (Restated)
Non-current liabilities			
Medium-term bonds		**36,000,000**	248,000,000
Promissory note		**109,215,816**	104,016,328
Interest-bearing borrowings		**45,000,000**	–
		190,215,816	352,016,328
Net (liabilities)/assets		**(5,387,903)**	82,387,707
Capital and reserves			
Share capital		**55,656,000**	55,656,000
Reserves		**(63,754,682)**	23,494,958
Equity attributable to owners of the Company		**(8,098,682)**	79,150,958
Non-controlling interests		**2,710,779**	3,236,749
Total equity		**(5,387,903)**	82,387,707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Attributable to owners of the Company									
	Share Capital	Share Premium	Capital Redemption Reserve	Merger Reserve	Share Options Reserve	Translation Reserve	Accumulated losses	Sub-total	Non-Controlling Interests	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2015	55,656,000	775,075,169	254,600	369,866	46,554,612	(15,804,934)	(697,533,828)	164,571,485	13,114,995	177,686,480
Loss for the year	–	–	–	–	–	–	(115,695,395)	(115,695,395)	(9,878,246)	(125,573,641)
Other comprehensive income:										
Currency translation differences on translating foreign operations	–	–	–	–	–	30,274,868	–	30,274,868	–	30,274,868
Total comprehensive loss for the year ended 31 March 2016	–	–	–	–	–	30,274,868	(115,695,395)	(85,420,527)	(9,878,246)	(95,298,773)
Transactions with owners:										
Transfer	–	–	–	–	–	7,700,428	(7,700,428)	–	–	–
Total transactions with owners of the Company	–	–	–	–	–	7,700,428	(7,700,428)	–	–	–
At 31 March 2016 and 1 April 2016	**55,656,000**	**775,075,169**	**254,600**	**369,866**	**46,554,612**	**22,170,362**	**(820,929,651)**	**79,150,958**	**3,236,749**	**82,387,707**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(85,358,958)**	**(85,358,958)**	**(525,970)**	**(85,884,928)**
Other comprehensive loss:										
Currency translation differences on translating foreign operations	**–**	**–**	**–**	**–**	**–**	**(1,890,682)**	**–**	**(1,890,682)**	**–**	**(1,890,682)**
Total comprehensive loss for the year ended 31 March 2017	**–**	**–**	**–**	**–**	**–**	**(1,890,682)**	**(85,358,958)**	**(87,249,640)**	**(525,970)**	**(87,775,610)**
At 31 March 2017	**55,656,000**	**775,075,169**	**254,600**	**369,866**	**46,554,612**	**20,279,680**	**(906,288,609)**	**(8,098,682)**	**2,710,779**	**(5,387,903)**

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands on 11 July 2000 as exempted company with limited liability under the Companies Law (Revised) of Cayman Islands. Its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As at the reporting date, the ultimate holding company of the Company (the "Ultimate Holding Company") is First Cheer Holdings Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted the following new and amended Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKASs") (collectively referred to as "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2016.

HKFRSs (Amendment)	Annual Improvement to HKFRSs 2012-2014 Cycle
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKAS 28, HKFRS 10 and HKFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The adoption of the above new and amended 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.

The Group has not early adopted the following new and amended HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendment)	Annual Improvements to HKFRSs 2014–2016 Cycle[2]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[3]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 15 (Amendments)	Clarifications to HKFRS15[3]
HKFRS 16	Leases[4]
HKAS 7 (Amendments)	Statement of Cash Flows – Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKAS 40 (Amendments)	Transfers on Investment Property[3]

1 Effective for the accounting period beginning on or after 1 January 2017

2 Effective for the accounting period beginning on or after 1 January 2017 or 1 January 2018 as appropriate

3 Effective for the accounting period beginning on or after 1 January 2018

4 Effective for the accounting period beginning on or after 1 January 2019

5 Effective date to be determined

HKFRS 9 Financial Instruments

HKFRS 9 has introduced new requirements for classification and measurement of financial assets, impairment of financial assets and general hedge accounting. Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. 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 each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, 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 nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment. 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 a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's 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 is presented in profit or loss. With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk. With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is still in the process of assessing the impact of HKFRS 9. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. As for the timing and amounts of revenue recognised in respective reporting period, the Group is still in the process of assessing the impact of HKFRS 15. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective. With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The Group is in the process of assessing the impact of HKFRS 16. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

Except as described above, the directors of the Company do not anticipate that the application of the above new amended HKFRSs will have a material impact on the Group's consolidated financial statements.

3. GOING CONCERN CONVENTION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the liquidity of the Group as the Group has sustained losses for 5 consecutive years. In particular, the Group incurred a loss of HK$85,884,928 for the year ended 31 March 2017 and the Group has net capital deficiency of HK$5,387,903 at the end of the reporting period.

In the opinion of the directors, the Group is able to operate as a going concern in the coming year after taking into consideration the following conditions and/or measures:

(a) HK$100,000,000 revolving loan facility (which is available until 15 May 2018) was granted by Mr. Cheng Ting Kong, a director of the Company and one of the beneficial owners of the substantial shareholder of the Company, to the Group;

(b) On 8 June 2017, the Group plans to raise new fund by entering into a placing agreement in which the placing agent agrees to procure placees to subscribe for the bonds of the Company with an aggregate principal amount of up to HK$50,000,000. The placing period is from 8 June 2017 to 7 September 2017;

(c) The Group continues to implement measures to enhance cost controls in various operating expenses and to improve the Group's operating results and positive cash flow operation;

(d) Mr. Cheng Ting Kong, agrees to provide an appropriate level of financial support to the Group by signing a letter of support to ensure that the Group is in a position to meet its financial liabilities and obligations, including but not limited to, the medium-term bonds of HK$212,000,000, which will mature in September 2017 the latest;

(e) The Group continues to seek potential opportunity by entering into a Memorandum of Understanding on 12 May 2017 in respect of a Proposed Acquisition of Sun Finance Company Limited, which is principally engaged in the provision of money lending business so as to strengthen the development of money lending business of the Group to enhance profitability.

The directors are of the opinion that the Group will be able to have sufficient working capital to finance its operations and meet its financial obligations when they fall due in the foreseeable future. Accordingly, the directors considered that it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. REVENUE

Revenue represents the aggregate of amounts received and receivable from (i) services provided to customers; (ii) goods sold to customers; (iii) equine services income; (iv) commission from brokerage and (v) loan interest income and is analysed as follows:

	2017	2016
	HK$	*HK$*
Continuing operations		
Equine services income	**51,598,624**	87,852,602
Financial services income	**43,138,023**	4,696,162
Computer software solution and services income	**13,152,660**	28,590,000
	107,889,307	121,138,764

The discontinued operation of entertainment operations (business ceased in November 2015) generated no revenue in the year ended 31 March 2016.

5. 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 organised into four 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
Financial services	–	provision of securities and futures brokerage; provision of margin financing, asset management services and custodian services to customers and engaging in money lending business
Entertainment operations	–	production and distribution of motion pictures, model agency services and provision of other film related services (business ceased in November 2015)

The accounting policies of the operating segments are the same as those of the Group. Segment profit or loss do not include corporate costs, gain on disposal of associates and loss on disposal of a subsidiary. Segment assets include all current and non-current assets with the exception of other corporate assets. Segment liabilities include all current and non-current liabilities with the exception of other corporate liabilities.

Consolidated statement of profit or loss
For the year ended 31 March 2017

	Continuing operations				
	Computer software solution and services *HK$*	**Equine services** *HK$*	**Financial services** *HK$*	**Others and unallocated corporate** *HK$*	**Total** *HK$*
Revenue					
External sales	**13,152,660**	**51,598,624**	**43,138,023**	**–**	**107,889,307**
Profit/(loss) before interest, tax and depreciation	**(313,448)**	**(52,247,475)**	**9,682,391**	**(12,053,211)**	**(54,931,743)**
Depreciation	**(589,410)**	**(2,324,122)**	**(481,747)**	**(6,244,323)**	**(9,639,602)**
Finance costs	**–**	**(25,460,720)**	**–**	**(10,537,922)**	**(35,998,642)**
Result					
Segment result	**(902,858)**	**(80,032,317)**	**9,200,644**	**(28,835,456)**	**(100,569,987)**
Gain disposal of associates					**14,753,487**
Loss before tax					**(85,816,500)**
Income tax expenses					**(68,428)**
Loss for the year					**(85,884,928)**

Consolidated statement of financial position
As at 31 March 2017

	Continuing operations				
	Computer software solution and services *HK$*	**Equine services** *HK$*	**Financial services** *HK$*	**Others and unallocated corporate** *HK$*	**Total** *HK$*
Assets					
Segment assets	**4,502,515**	**236,659,147**	**301,962,061**	**17,135,937**	**560,259,660**
Liabilities					
Segment liabilities	**307,840**	**17,701,638**	**131,461,108**	**416,176,977**	**565,647,563**

Consolidated statement of profit or loss
For the year ended 31 March 2016 (Restated)

	Discontinued operation		Continuing operations					
	Entertainment operations	Subtotal	Computer software solution and services	Equine services	Financial services	Others and unallocated corporate	Subtotal	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Revenue								
External sales	–	–	28,590,000	87,852,602	4,696,162	–	121,138,764	121,138,764
Profit/(loss) before interest, tax and depreciation	(182,954)	(182,954)	2,492,343	(45,155,374)	(1,012,816)	(44,667,933)	(88,343,780)	(88,526,734)
Depreciation	–	–	(378,780)	(2,259,490)	–	(8,498,494)	(11,136,764)	(11,136,764)
Finance costs	–	–	–	(23,531,168)	–	(2,040,608)	(25,571,776)	(25,571,776)
Result								
Segment result	(182,954)	(182,954)	2,113,563	(70,946,032)	(1,012,816)	(55,207,035)	(125,052,320)	(125,235,274)
Loss on disposal of a subsidiary								(91)
Loss before tax								(125,235,365)
Income tax expenses								(338,276)
Loss for the year								(125,573,641)

Consolidated statement of financial position
As at 31 March 2016 (Restated)

	Discontinued operation	Continuing operations				
	Entertainment operations	Computer software solution and services	Equine services	Financial services	Others and unallocated corporate	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Assets						
Segment assets	–	53,726,200	334,724,785	323,238,768	83,467,938	795,157,691
Liabilities						
Segment liabilities	–	2,071,715	8,950,871	324,299,179	377,448,219	712,769,984

Geographical segments

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

	2017	2016
	HK$	*HK$*
Continuing operations		
Hong Kong	**43,138,023**	5,978,484
Australia	**51,598,624**	87,570,280
Macau	**13,152,660**	27,590,000
	107,889,307	121,138,764

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

	2017	2016
	HK$	*HK$*
Continuing operations		
Hong Kong	**60,355,500**	194,194,930
Australia	**89,414,237**	113,086,988
Macau	**2,800**	20,272
	149,772,537	307,302,190

Revenue from major customers

During the year no customer (2016: Nil) contributed for 10% or more of Group's total revenue.

6. OTHER OPERATING INCOME

	2017	2016
	HK$	*HK$*
		(Restated)
Other operating income comprised of the followings:		
Continuing operations		
Bank interest income	**536,868**	549,887
Gain on disposal of property, plant and equipment	**–**	120,000
Bad debt recovered	**1,243,872**	–
Prize money from race horses	**1,456,246**	910,552
Sundry income	**3,100,791**	3,001,133
	6,337,777	4,581,572

7. FINANCE COSTS

	2017	2016
	HK$	*HK$*
Finance costs comprised of the followings:		
Continuing operations		
Effective interest expense on medium-term bonds	**24,226,648**	24,409,939
Handling charges for interest-bearing borrowings	**220,812**	324,000
Effective interest expense on promissory note	**10,347,298**	837,837
Interest expense on interest-bearing borrowings	**1,203,884**	–
	35,998,642	25,571,776

8. INCOME TAX EXPENSE

	2017	2016
	HK$	*HK$*
Continuing operations		
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**68,428**	24,713
Under provision in prior year	**–**	313,563
Income tax expense for the year	**68,428**	338,276

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions in which the Group operates is calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

No deferred tax asset have been recognised in the consolidated financial statements in respect of tax losses carried forward in view of the unpredictability of future profit stream.

There are no other significant unprovided deferred taxation for the year and at the end of the reporting period.

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

	2017 *HK$*	2016 *HK$* (Restated)
Continuing operations		
Loss before taxation	**(85,816,500)**	(125,052,411)
Tax credit at the Hong Kong Profits Tax rate of 16.5%	**(14,159,723)**	(20,633,648)
Tax effect of income not taxable for tax purposes	**(9,235,197)**	(60,118)
Tax effect of expenses not deductible for tax purposes	**7,243,150**	9,241,660
Under provision in prior years	**–**	313,563
Tax effect of different tax rates for subsidiaries operating in other jurisdictions	**(8,768,343)**	(9,738,088)
Tax effect of tax losses not recognised	**24,988,541**	20,557,039
Tax effect of unrecognised temporary differences	**–**	657,868
Income tax expense for the year	**68,428**	338,276

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2017 *HK$*	2016 *HK$* (Restated)
Continuing operations		
Staff costs:		
Directors' emoluments	**4,189,248**	4,076,063
Salaries and other benefits	**30,137,139**	29,173,317
Retirement benefit scheme contributions (excluding directors)	**1,635,711**	1,944,715
Total employees benefit expenses	**35,962,098**	35,194,095
Auditor's remuneration	**1,554,058**	1,290,000
Amortisation	**249,407**	269,683
Depreciation on property, plant and equipment	**9,639,602**	11,136,764
Direct costs	**39,863,198**	49,925,699
Net foreign exchange difference	**(986,379)**	(1,137,175)
Loss on disposal of property, plant and equipment	**86,475**	4,431
Provision for bad debts	**1,113,040**	1,052,125

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:

	2017	2016
	HK$	*HK$*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share		
– Continuing operations	**(85,358,958)**	(115,512,441)
– Discontinued operation	**–**	(182,954)
Continuing and discontinued operations	**(85,358,958)**	(115,695,395)

	2017	2016
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,391,400,000**	1,391,400,000
Effect of dilutive potential ordinary shares:		
Share options *(Note)*	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,391,400,000**	1,391,400,000

Note: The computation of diluted loss per share for the years ended 31 March 2017 and 31 March 2016 does not assume the exercise of the Company's outstanding share options since their exercise would result in anti-dilutive effect on loss per share for the year.

11. DIVIDENDS

No final dividend was proposed by the Board for the year ended 31 March 2017 (2016: Nil).

12. GOODWILL

	HK$
Cost	
At 1 April 2015	431,384,586
Additions	53,037,756
At 31 March 2016 and 1 April 2016	484,422,342
Additions	–
At 31 March 2017	484,422,342
Accumulated impairment losses	
At 1 April 2015	424,856,527
Impairment loss for the year	6,528,059
At 31 March 2016 and 1 April 2016	431,384,586
Impairment loss for the year	–
At 31 March 2017	431,384,586
Carrying amount	
At 31 March 2017	53,037,756
At 31 March 2016	53,037,756

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units ("CGU"). The carrying amounts of goodwill (net of accumulated impairment losses) as at the end of the reporting period are allocated as follows:

	2017	2016
	HK$	*HK$*
Computer software solution and services	**–**	–
Securities brokerage and asset management business	**52,537,757**	52,537,757
Money lending business	**499,999**	499,999
	53,037,756	53,037,756

Computer software solution and services

During the year ended 31 March 2016, the directors of the Company reassessed the recoverable amount of the CGU of computer software solution and services with reference to the valuation performed by Roma Appraisals Limited, independent qualified professional valuers and impairment loss of HK$6,528,059 on goodwill associated with the CGU of computer software solution and services was identified. The recoverable amount of 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. A discount rate of 14.67% 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 in 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 is referred to budgeted gross margin and the discount rate used is pre-tax and reflect specific risks relating to the industry. As the goodwill associated with the CGU of computer software solution and services was fully impaired at 31 March 2016. No impairment testing was carried out during 31 March 2017.

Securities brokerage and asset management business

During the year ended 31 March 2017, the directors of the Company reassessed the recoverable amount of the CGU of securities brokerage and asset management services with reference to the business valuation performed by Roma Appraisals Limited, independent qualified professional valuers and no impairment loss on goodwill associated with the CGU of securities brokerage and asset management business was identified. The recoverable amount of goodwill allocated to securities brokerage and asset management business was assessed by reference to value-in-use model which based on a six years cash flow projection (with terminal value) approved by the directors of the Company with a growth rate of 20% for the first year, 20% for the second year, 15% for the third year, 12% for the fourth and 10% for the fifth year and 3% for afterward year in securities brokage services and 5% growth rate per annum in asset management services. A discount rate of approximately 16.6% 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 in the preparation of the cash flow projection. Key assumptions included gross revenue and discount rate which are determined by the management of the Group based on past performance and its expectation for market development. The Management believes that any reasonably possible change in assumptions would not cause the aggregate recoverable amount to fall below the aggregate carrying amount. Gross revenue is referred to budgeted gross revenue from customers and the discount rate used is pre-tax and reflect specific risks relating to the industry.

Money lending business

During the year ended 31 March 2017, the directors of the Company reassessed the recoverable amount of the CGU of money lending business with reference to the business valuation performed by Roma Appraisals Limited, independent qualified professional valuers and no impairment loss on goodwill associated with the CGU of money lending business was identified. The recoverable amount of goodwill allocated to money lending business was assessed by reference to value-in-use model which based on a six years cash flow projection (with terminal value) approved by the directors of the Company with a growth rate of 30% for the first year, 30% for the second year, 25% for the third year, 20% for the fourth and 15% for the fifth year and then 3% afterward. A discount rate of approximately 11.80% 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 in the preparation of the cash flow projection. Key assumptions included gross revenue and discount rate which are determined by the management of the Group based on past performance and its expectation for market development. Management believes that any reasonably possible change in assumptions would not cause the aggregate recoverable amount to fall below the aggregate carrying amount. Gross revenue is referred to budgeted gross revenue and the discount rate used is pre-tax and reflect specific risks relating to the industry.

13. TRADE RECEIVABLES

	2017	2016
	HK$	*HK$*
Trade receivables	**13,616,333**	26,839,321
Less: Provision for bad debts	**(3,791,761)**	(2,678,721)
	9,824,572	24,160,600
Account receivables from brokers, dealers and clearing house	**1,112,013**	3,951,090
	10,936,585	28,111,690

Account receivables from brokers, dealers and clearing house are due and settled on two business days after the trade date and denominated in Hong Kong Dollars. Therefore, no ageing analysis is disclosed.

The following is an ageing analysis of trade receivables (excluding account receivables from brokers, dealers and clearing house) after provision for bad debts at the end of the reporting period:

	2017	2016
	HK$	*HK$*
Within 30 days	**5,951,087**	7,630,522
31–60 days	**–**	4,731,424
61–90 days	**1,120,745**	3,053,730
Over 90 days	**2,752,740**	8,744,924
	9,824,572	24,160,600

The average credit period on the trade receivables is 30–90 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 was as follows:

	2017	2016
	HK$	*HK$*
Within 30 days	**2,748,124**	2,732,987
31–60 days	**–**	1,302,381
61–90 days	**1,184**	1,675,368
Over 90 days	**3,432**	3,034,188
	2,752,740	8,744,924

HK$3,432 of trade receivables (2016: HK$3,034,188) was past due for 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 be made in respect of trade receivables to their recoverable amounts and believe that there is no further provision for impairment required in excess of the provision for bad debts.

The directors of the Company consider that the carrying amounts of the trade receivables and account receivables at the reporting date are approximated to their fair values.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017	2016
	HK$	*HK$*
Prepayments	**1,991,718**	3,570,516
Deposits	**3,937,866**	2,939,745
Other receivables	**3,061,089**	5,427,672
	8,990,673	11,937,933

The directors of the Company consider that the carrying amounts at the reporting date are approximated to their fair values.

15. TRADE PAYABLES

	2017	2016
	HK$	*HK$*
Trade payables	**2,444,234**	14,410,761
Account payables to clients and clearing house	**122,384,440**	175,178,415
	124,828,674	189,589,176

Majority of the account payables to clients are repayable on demand except where certain account payables to clients represent deposits received from clients for their securities trading activities under normal course of business. Only the excess amounts over the required margin deposits are repayable on demand.

Account payables to clients and clearing house include those payables placed in trust accounts with authorised institutions of HK$116,610,013 (2016: HK$169,440,225), amounts due to other futures dealers of HK$1,035,562 (2016: HK$5,738,190) and amount due to clearing house of HK$4,738,865 (2016: nil). Amount due to clearing house of HK$27,436,635 (2016: HK$550,759,789) has been offset against a corresponding amount due from the clearing house.

No ageing analysis for account payables to clients and clearing house is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of the business.

The Group has a practice to satisfy all the requests for payments immediately within the credit period.

Except for the account payables to clients which bear interest at 0.001% per annum as at 31 March 2017 (2016: 0.001%), all the trade payables are non-interest bearing.

The following is an ageing analysis of trade payables (excluding account payables to clients and clearing house) at the end of reporting period:

	2017	2016
	HK$	*HK$*
Within 30 days	**1,029,780**	11,939,885
31–90 days	**1,382,105**	1,967,641
91–120 days	**32,349**	282,976
Over 180 days	**–**	220,259
	2,444,234	14,410,761

The average credit period on trade payables is 90 days (2016: 90 days). The Group has financial risk management policies in place to ensure all payables are settled within the credit period.

The directors of the Company consider that the carrying amounts at the reporting date are approximated to their fair values.

16. ACCRUALS AND OTHER PAYABLES

	2017	2016
	HK$	*HK$*
Accruals	**15,430,822**	11,585,789
Other payables	**17,637,650**	14,403,541
Provision for long service payment and annual leave	**1,229,251**	2,089,686
	34,297,723	28,079,016

The directors of the Company consider that the carrying amounts at the reporting date are approximated to their fair values.

17. RELATED PARTY TRANSACTIONS

The Group had the following balances at the end of the reporting period and transactions with related parties during the year.

(a) Balances with related parties

	2017	2016
	HK$	*HK$*
		(Restated)
Included in Amount due from a related company		
Company which is beneficially owned and controlled by Mr. Chau Cheok Wa	**–**	56,000
Included in Amounts due to related companies		
Companies which are beneficially owned and controlled by Mr. Chau Cheok Wa	**113,514**	593,841
Included in Interest-bearing borrowings		
Interest-bearing borrowings payable to related companies which are beneficially owned and controlled by Mr. Cheng Ting Kong	**45,000,000**	–

	2017	2016
	HK$	*HK$*
		(Restated)
Included in Trade receivables Amount due from a related party which is controlled by Mr. Cheng Ting Kong	**486,220**	592,410

(b) Transactions with related parties

	2017	2016
	HK$	*HK$*
		(Restated)
Included in Turnover Advertising income received from a related company which is beneficially owned and controlled by Mr. Chau Cheok Wa	**–**	280,000
Included in Turnover Management services income received from a related company which is beneficially owned and controlled by Mr. Chau Cheok Wa	**567,949**	–
Included in Turnover Equine related income (bloodstock sale and service fee) received from a related company which is beneficially owned and controlled by Mr. Cheng Ting Kong	**9,089,530**	3,212,508
Included in Gain on disposal of associates Sales proceeds received for disposal of associates to a director of the associates Mr. Xu Jian She	**145,000,000**	–
Included in Administrative expenses Management service fee paid to related companies which are beneficially owned and controlled by Mr. Chau Cheok Wa	**260,000**	370,000
Included in Administrative expenses License fee paid to related companies which are beneficially owned and controlled by Mr. Chau Cheok Wa	**1,494,000**	130,000
Included in Finance cost Interest expenses on interest-bearing borrowings paid to related companies which are beneficially owned and controlled by Mr. Cheng Ting Kong	**1,203,884**	–

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.

18. EVENTS AFTER REPORTING PERIOD

On 12 May 2017, the Company announced that it had entered into a non-legally binding Memorandum of Understanding ("MOU") with Eminent Crest Holdings Limited, Peak Stand Holdings Limited and Sheet Light Holdings Limited ("the Vendors") (which are all beneficially owned by Mr. Chau Cheok Wa and Mr. Cheng Ting Kong) to acquire Sun Finance Company Limited ("Target Company"). The Target Company is a licensed money lender. The consideration for the proposed acquisition would be determined after arm's length negotiation and settled by way of cash and/or by promissory notes on completion.

On 8 June 2017, the Company as the issuer, appointed Sun International Securities Limited, a wholly-owned subsidiary of the Company as placing agent to place bonds with an aggregate principal amount of up to HK$50,000,000 to provide general working capital for the Group. The placing period is from 8 June 2017 to 7 September 2017.

Other than the events disclosed above, the Group had no material event after the reporting period.

19. COMPARATIVE FIGURES

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

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The auditor expressed an unqualified opinion but modified the auditor's report by adding a material uncertainty related to going concern paragraph to draw attention to the material uncertainty. The following is an extract of the independent auditor's report on the Group's annual audited consolidated financial statements for the year ended 31 March 2017.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK$85,884,928 during the year ended 31 March, 2017 and, as of that date, the Group's total liabilities exceeded its total assets by HK$5,387,903. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The Group recorded a turnover of continuing operations of approximately HK$108,000,000 for the year ended 31 March 2017 which was decreased 11% compared to the turnover of approximately HK$121,000,000 in the last financial year. The revenue was mainly generated from the subsidiaries engaging in equine services business, securities services business, money lending business and computer services business. The decrease in turnover was mainly due to the decrease in income generated from equine services business and computer services business.

The direct costs of continuing operations were decreased to approximately HK$40,000,000 from approximately HK$50,000,000 recorded during last year. The decrease of 4% in gross profit percentage was mainly due to the decrease in sales turnover in equine services business and computer services business. The staff costs (excluding other benefits) were increased to approximately HK$36,879,000 (2016: HK$33,975,000). The increase was mainly due to introduction of financial services business since February 2016.

Administrative expenses of continuing operations made an increase of 6% to approximately HK$129,000,000 compared to HK$122,000,000 in 2016. The increase was mainly attributable to financial services business during the financial year.

The net loss of the Group for the year ended 31 March 2017 was approximately HK$86,000,000 as compared with the net loss of approximately HK$126,000,000 of the last financial year. The reason of the decrease in net loss was mainly due to losses generated from equine services business and impairment adjustments arising from change in fair value of biological assets for the financial year.

Gearing Ratio

The gearing ratio, is calculated as borrowings divided by total equity, was approximately -7,512.94% (31 March 2016: 597.19%).

Capital Structure

There are no movements in share capital during the year ended 31 March 2017.

Employee Information

The total number of employees was 91 as at 31 March 2017 (2016: 89), and the total remuneration for the year ended 31 March 2017 was approximately HK$35,962,098 (2016: HK$33,975,000). 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.

Contingent Liabilities

As at 31 March 2017, the Group did not have significant contingent liabilities (2016: Nil).

Foreign Exchange Exposure

The income and expenditure of the Group are denominated in Hong Kong Dollars, 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.

Revenue

Revenue represents the net amounts in respect of services provided, goods sold, equine services income, securities brokerage commission and loan interest income recognised by the Group during the year.

Dividend

No final dividend was proposed by the Directors for the year ended 31 March 2017 (2016: Nil).

Business Review

The East Asia and Pacific region, where most of the Group's operations are situated, achieved a lower than expected economic growth of approximately 6.2% in 2016. The economic development in the region last year was characterized by continuous growth in personal consumption expenditure, stagnated performance in industrial consumptions and high activities level in the financial sector. As the Group's operations covered a wide range of segments, the economic environment faced by the business units varied from one to another. Against this backdrop, the Group managed to reduce the loss attributable to shareholders to approximately HK$85,000,000 for the twelve months ended 31 March 2017 as compared to approximately HK$116,000,000 for the corresponding year ended 31 March 2016.

While the Group continued to implement cost controls and to improve operating results, the board of directors also identified opportunities in the financial services segment to diversify the business scope and broaden the revenue base of the Group. During the previous reporting period, the Group acquired a money lending business in November 2015 and completed the acquisition of the entire issued share capital of Sun International Securities Limited ("SISL") and Sun International Asset Management Limited ("SIAML") in February 2016. SISL is principally engaged in the provision of type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") in Hong Kong, while SIAML is principally engaged in the provision of type 4, (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong.

Apart from the operating results, the board of directors was also mindful of the overall financial position of the Group. Whilst the Group has successfully secured new interest-bearing borrowings of HK$45,000,000 during the year ended 31 March 2017 the board of directors would continue to closely monitor the financial position of the Group and the financial market environment in order to establish a more sustainable foundation for the Group.

Equine services

The growth in personal consumption expenditure in the region has created a favorable environment for the equine services segment. This was also reflected in the increase in participants from the Asia countries in the Australian equine industry. Building on its experience in Australia, the Group has expanded the operation to Europe and Singapore. As of the latest practical date, approximately 18% of the Group's stallions and bloodstocks are located outside Australia.

For the twelve months ended 31 March 2017, the revenue and operating loss of the equine service segment was approximately HK$52,000,000 (2016: HK$88,000,000) and approximately HK$80,000,000 (2016: HK$71,000,000) respectively. The income from horse breeding services remained stable as the number of stallions held by the Group was at similar level as last year. However, the results from rearing of bloodstocks for trading and racing were relatively volatile. This was partly due to the mixed racing performance of the off springs of our stallions and mares, including the off springs trained by other stables. Moreover, the performance of some colts and fillies acquired from third parties when the business was established in late 2013 were below expectation. The Group considered that the results can be improved by increasing the percentage of bloodstocks bred from its own mares and stallions because (i) the cost of bloodstock will be lower and (ii) the Group can have more influence on the training and development of the horses. This has laid a good foundation for enhancing the results from horse trading and racing. Besides improving the sales performance, the Group has implemented stringent cost controls and efficiency improvement measures.

Financial services

Whilst the financial systems in Asia have improved in the past decade, it is generally agreed that further deepening of banks and capital markets as well as broader access to households and firms are important to sustain growth and enhance equity. During the year ended 31 March 2017, the demand for financing by private enterprises in China remained high. The government had also implemented structural reforms in the capital markets in China to liberalize the market and to increase the linkage with the Hong Kong capital markets. The launch of Shenzhen-Hong Kong Stock Connect program was a major milestone for such development.

The board of directors considered this a growth area to further broaden its revenue base and on 19 August 2015, Infinite Success Investments Limited, a wholly-owned subsidiary of the Company (the "Purchaser"), entered into a sales and purchase agreement (the "Sale and Purchase Agreement") with Sun International Financial Group Limited (the "Vendor") to acquire the entire issued capital of SISL and SIAML (the "Target Companies") at the consideration of HK$147,300,000 (subject to adjustment) (the "Acquisition"). The transaction was subsequently completed on 29 February 2016 signaling the Group's expansion into the financial services segment.

To supplement the product offerings of SISL and SIAML, the Group acquired a money lending business in November 2015 with primary focus on equity financing, equity mortgage and corporate finance. As at 31 March 2017, loan portfolio of the money lending business amounted to HK$38 million, representing approximately 7% of the total assets of the Group. The maturity of the loans is typically within one year and the average interest rate is in the range of 20% to 25% per annum.

Since taking over of the operations of SISL and SIAML on 29 February 2016, the Group has successfully secured several mandates for placement and other corporate finance activities. The operating results of SISL have significantly improved over the corresponding period last year. Furthermore, we have secured the services of several seasoned investment managers for SIAML. During the reporting period, the financial services segment achieved revenue and operating gain of approximately HK$43,000,000 and HK$9,200,000 respectively.

Computer software solution and services

The computer software solution and services segment recorded another year of disappointing results with sales revenue of approximately HK$13,000,000 (2016: HK$29,000,000), representing a decrease of 55% as compared to the corresponding period last year. As stated in the last year's report, the industry has been experiencing increased competition, changing needs of customers and rapid development in information technology. Whilst the Group had increased the investment in new products development with a view of regaining our competitiveness, the initiative has yet to deliver significant positive results. Accordingly, the business continued to suffer loss in market share leading to further deterioration in its market position.

Financial Review

Liquidity, Financial Resources and Capital Structure

As at 31 March 2017, the Group had current assets of approximately HK$411,000,000 (2016: HK$488,000,000). The Group's current ratio, calculated on the basis of current assets of approximately HK$411,000,000 (2016: HK$488,000,000) over current liabilities of approximately HK$375,000,000 (2016: HK$361,000,000) was at level of approximately 1.1:1 (2016: 1.35:1). The bank balances as at 31 March 2017 was approximately HK$62,000,000 as compared to the balance of approximately HK$106,000,000 as at 31 March 2016. The Group had interest-bearing borrowings of HK$45,000,000 (2016: Nil) at the end of the financial year.

The Group had issued a three-year 9.5% coupon and a five-year 7% coupon unlisted straight bonds with an aggregate principal amount of HK$212,000,000 and HK$36,000,000 respectively for the financial year (2016: HK$212,000,000 and HK$36,000,000). At the end of the financial year, the equity attributable to Company's equity owners amounted to approximately HK$8,000,000 (2016: HK$79,000,000), representing a decrease of approximately 110% compared to 2016.

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.

Results Analysis

During the financial year ended 31 March 2017 (the "Financial Year"), we continued our business on different categories such as development of newly acquired financial services businesses including securities, assets management and money lending services, promotion of new on-line games and equine services including breeding service, pre-training and trading of thoroughbred horses, respectively.

Operation

Stable revenue will be expected from equine services, computer services and financial services businesses for the coming year as the Group will continue to take very effort on expanding potential market shares for the existing businesses.

The finance costs

The Group recorded a finance costs approximately HK$36,000,000 (2016: HK$26,000,000) for the year ended 31 March 2017, representing a increase of HK$10,000,000 compared to that in the last financial year. The finance costs was mainly for medium-term bonds.

Medium-term Bonds

During the financial year, the Group had issued a three-year 9.5% coupon and a five-year 7% coupon unlisted straight bonds with an aggregate principal amount of HK$212,000,000 (2016: HK$212,000,000) and HK$36,000,000 (2016: HK$36,000,000) respectively to provide for general working capital.

Loss attributable to the equity holders of the Company

For the current financial year, the Group recorded a loss attributable to the equity holders of the Company of approximately HK$86,000,000 (2016: HK$116,000,000).

Prospects

The region's economic outlook remained modest with elevated risk of slowdown in economic growth as well as higher volatility in the financial markets. On the one hand, this is unlikely to have any material impact on the equine services business which will further solidify its foundation for growth. With its enhanced facilities and its global reach in trading activities of thoroughbred horses, the Group will continue to offer superior service to our clients and take our brand to the global stage. On the other hand, this presents both opportunities and challenges for the financial services segment. The continuous liberalization of the PRC financial market and its integration with the Hong Kong financial market would provide opportunities for the Group to offer more professional services to investors and small and medium sized enterprises in China. However, the results of the Group's financial services segment would be heavily influenced by the performance of the stock markets in China and Hong Kong.

The Group would continue to use its best endeavor to improve the efficiency and effectiveness of the operation. Moreover, the board of directors would seek opportunities to establish strategic alliance to accelerate the growth of its businesses, to rebalance its business portfolio and to strengthen its financial position so as to create value for shareholders.

Risk Factors

Uncertainty on Horses Stud Farm

The services provided from a horse stud farm include processes on breeding, training, agistment and general upkeep which face different uncertainties including unexpected events regarding to the horses such as death, injuries, health problem, diseases and unfavourable weather which will affect directly the expected return and additional cost incurred in the stud farm.

Uncertainty on Market Trend of Sales

The market for sales of thoroughbred horses in Australia is mainly through regular seasonal auctions. Its selling price is uncertain and is highly affected by both the trend of global market as well as the reputation of the horses with different sire/dam and/or champion records.

Continuous expansion requires long term capital financing

The development of equine related services requires additional capital to finance these activities. These projects are often mid to long term nature, probably over 1 year. Therefore, stable source of long term financing with low cost of borrowing is critical to our future capital investment in the equine services business.

There is no assurance that we can obtain the stable source of long term capital with low cost.

Country Risk

The equine services business is mainly operated in Australia. Being one of the emerging markets, Australia's equine services definitely provide many potential opportunities to investors dedicating to equine industry. In the meantime, the uncertainties of their political, social and economic policies are considered to be relatively small.

There is no assurance that the current favorable policies remain unchanged in the near future. The future changes at the country level probably may have adverse effect to our business.

Uncertainty on Volatility of Stock Market

Global stock market is still faced with various uncertainties of different political and economic circumstances. The expected return on the services of the securities trading and assets management will be greatly influenced by the volatility of the stock market which tends to be highly unpredictable.

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, Sun Stud (formerly as 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. The Group also seeks for the opportunity to establish a UK company as a stepping stone in expanding our worldwide trading activities of thoroughbred horses. In addition, we have completed in building new pre-training and racing facilities including an uphill, all-weather, undercover training track, along with the training infrastructure, for the purpose of enhancing the superior service to our clients for pre-training services. Sun Stud Pty. Limited has every intention of living up to its name by taking its brand to the global stage.

Following the acquisition of SISL and SIAML in February 2016, the Group had successfully diversify the business segments into the financial services including provision of type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 5 (advising on future contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong. The Group has successfully secured several mandates for placement, services of several seasoned investment manager and other corporate finance activities. Furthermore, in November 2015, the Group had acquired a money lending business with principal activities in equity financing, equity mortgage and corporate finance.

In light of the above acquisitions, the Group is able to diversify its business segments by entering into the financial services segment so as to further enhance its revenue sources as well as to bring positive return to the Group.

On 12 May 2017, the Company announced that it had entered into a non-legally binding Memorandum of Understanding ("MOU") with Eminent Crest Holdings Limited, Peak Stand Holdings Limited and Sheet Light Holdings Limited ("the Vendors") to acquire Sun Finance Company Limited ("Target Company") which is beneficially owned by controlling shareholders. The Target Company was a licensed money lender. The consideration for the proposed acquisition would be determined after arm's length negotiation and settled by way of cash at completion and/or by promissory notes. The board considered the proposed acquisition represents a good opportunity for the Group to strengthen the development of money lending business.

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.

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 ("Code of Conduct") set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed that 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 2017.

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.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors of the Company believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code and Report") in Appendix 15 of the GEM Listing Rules. Throughout the year ended 31 March 2017 and up to the date of this announcement, to the best knowledge of the Board, the Company has complied with the code provisions set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules. During the year under review, the audit committee comprises four members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Wang Zhigang (resigned on 1 September 2016) and Mr. Jim Ka Shun (appointed on 1 September 2016). 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 and supervise the financial reporting process, risk management system and internal control systems of the Group so as 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 2017 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

The Company established a remuneration committee ("Remuneration Committee") on 18 March 2005. During the year under review, the Remuneration Committee comprised four members, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Wang Zhigang (resigned on 1 September 2016) and Mr. Jim Ka Shun (appointed on 1 September 2016). 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.

Detail of Directors' emoluments on a nominal basis are set out in note to the consolidated financial statements.

SCOPE OF WORK OF ANDES GLACIER CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Andes Glacier CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Andes Glacier CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Andes Glacier CPA Limited on the preliminary announcement.

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, 16 June 2017

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Cheng Ting Kong, Ms. Cheng Mei Ching and Mr. Lui Man Wah and three independent non-executive Directors, namely, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Jim Ka Shun.