SUNWAY INTERNATIONAL HOLDINGS LIMITED
新威國際控股有限公司*

(incorporated in Bermuda with limited liability)

HKEX stock code: 58

FINAL RESULTS ANNOUNCEMENT FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 2014 AND RESUMPTION OF TRADING

HIGHLIGHTS

- Revenue from continuing operations for the fifteen months ended 31 December 2014 was HK$305,048,000, compared to Nil last year.
- Gross profit from continuing operations for the fifteen months ended 31 December 2014 was HK$48,401,000, compared to Nil last year.
- Loss for the period from discontinued operations was HK$310,372,000, compared to HK$193,540,000 last year, representing an increase of HK$116,832,000.
- Loss attributable to owners of the Company was HK$389,316,000, compared to HK$206,445,000 last year, representing an increase of HK$182,871,000.
- Loss per share attributable to owners of the Company amounted to HK35 cents, compared to HK20 cents last year.
- No final dividend was proposed for the period (year ended 30 September 2013: Nil).

* *For identification purposes only*

Approved by: ______________________

To be submitted to SEHK on 24 April, 2015

The Board of Directors (the "Board") of Sunway International Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the fifteen months ended 31 December 2014, together with the comparative amounts for the previous year ended 30 September 2013, as follows:

CONSOLIDATED INCOME STATEMENT
Fifteen months ended 31 December 2014

	Notes	**Fifteen months ended 31 December 2014** ***HK$'000***	Year ended 30 September 2013 *HK$'000* *(Restated)*
CONTINUING OPERATIONS			
REVENUE	*4*	**305,048**	–
Cost of sales		**(256,647)**	–
Gross profit		**48,401**	–
Other income		**6,637**	246
Other gains and losses		**(64,066)**	(1,295)
Selling and distribution expenses		**(9,412)**	–
Administrative expenses		**(30,347)**	(11,856)
Other expenses		**(1,835)**	–
Finance costs		**(20,682)**	–
LOSS BEFORE TAX	*5*	**(71,304)**	(12,905)
Income tax expenses	*6*	**(7,640)**	–
Loss for the period/year from continuing operations		**(78,944)**	(12,905)
DISCONTINUED OPERATIONS			
Loss for the period/year from discontinued operations	*7*	**(310,372)**	(193,540)
LOSS FOR THE PERIOD/YEAR		**(389,316)**	(206,445)

CONSOLIDATED INCOME STATEMENT *(continued)*
Fifteen months ended 31 December 2014

	Notes	**Fifteen months ended 31 December 2014** *HK$'000*	Year ended 30 September 2013 *HK$'000* *(Restated)*
Loss for the period/year attributable to:			
Owners of the Company			
– continuing operations		**(84,033)**	(12,905)
– discontinued operations		**(310,372)**	(193,540)
		(394,405)	(206,445)
Non-controlling interests			
– continuing operations		**5,089**	–
		(389,316)	(206,445)
Loss per share from continuing and discontinued operations attributable to owners of the Company for the period/year			
Basic and diluted	*9*		
– continuing operations		**HK(8 cents)**	HK(1 cents)
– discontinued operations		**HK(27 cents)**	HK(19 cents)
		HK(35 cents)	HK(20 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Fifteen months ended 31 December 2014

	Fifteen months ended 31 December 2014	Year ended 30 September 2013
	HK$'000	*HK$'000*
		(Restated)
LOSS FOR THE PERIOD/YEAR	**(389,316)**	(206,445)
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to the consolidated income statement in subsequent periods:		
Available-for-sale financial assets:		
Changes in fair value, net of tax	**(106)**	951
Reclassification adjustment for loss on disposal included in the consolidated income statement, net of tax	**255**	1,295
	149	2,246
Exchange differences on translation of foreign operations	**–**	15,491
	149	17,737
Items that will not to be reclassified to the consolidated income statement in subsequent periods:		
Revaluation of items of property, plant and equipment, net of tax	**12,900**	44,905
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX	**13,049**	62,642
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	**(376,267)**	(143,803)
Total comprehensive income for the period/year attributable to:		
Owners of the Company		
– continuing operations	**(81,755)**	(10,659)
– discontinued operations	**(301,509)**	(133,144)
	(383,264)	(143,803)
Non-controlling interests		
– continuing operations	**6,997**	–
	(376,267)	(143,803)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2014

	Notes	**31 December 2014** **HK$'000**	30 September 2013 HK$'000 (Restated)	1 October 2012 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**167,555**	442,549	469,252
Investment properties		**–**	91,432	63,770
Intangible assets		**80**	–	–
Prepaid land lease payments		**34,217**	67,281	67,137
Goodwill		**84,421**	–	–
Interest in a joint venture		**–**	2,072	9,456
Available-for-sale financial assets		**44,489**	2,373	6,430
Deposits paid for acquisition of non-current assets		**10,719**	731	711
Deferred tax assets		**4,220**	–	–
Total non-current assets		**345,701**	606,438	616,756
CURRENT ASSETS				
Inventories		**22,235**	251,140	293,595
Loan receivables		**–**	–	155,918
Trade and bill receivables	*10*	**171,596**	205,478	148,495
Prepayments, deposits and other receivables		**132,672**	21,113	24,693
Amount due from a joint venture		**–**	–	326
Tax recoverable		**–**	–	80
Pledged bank deposits		**7,485**	2,712	16,354
Cash and bank balances		**20,529**	145,343	270,573
		354,517	625,786	910,034
Assets classified as held-for-sale		**958,525**	–	–
Total current assets		**1,313,042**	625,786	910,034

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
31 December 2014

	Notes	**31 December 2014 HK$'000**	30 September 2013 HK$'000 (Restated)	1 October 2012 HK$'000 (Restated)
CURRENT LIABILITIES				
Trade and bill payables	*11*	**104,831**	121,330	151,815
Other payables, accruals and deposit received		**28,876**	149,538	116,920
Amount due to a non-controlling shareholder		**80,399**	–	–
Amount due to a director		**–**	5,908	2,681
Interest-bearing borrowings		**112,216**	325,535	650,164
Tax payable		**9,316**	29,786	28,928
		335,638	632,097	950,508
Liabilities classified as held-for-sale		**892,135**	–	–
Total current liabilities		**1,227,773**	632,097	950,508
NET CURRENT ASSETS/ (LIABILITIES)		**85,269**	(6,311)	(40,474)
TOTAL ASSETS LESS CURRENT LIABILITIES		**430,970**	600,127	576,282
NON-CURRENT LIABILITIES				
Deferred tax liabilities		**6,216**	59,386	48,048
Provision for long service payment		**210**	689	742
Other borrowing		**–**	154,377	–
Interest-bearing borrowings		**29,003**	–	–
Other payable		**129,089**	–	–
Promissory note		**78,559**	–	–
Total non-current liabilities		**243,077**	214,452	48,790
NET ASSETS		**187,893**	385,675	527,492
EQUITY				
Issued capital		**143,430**	101,600	101,600
Convertible notes		**75,595**	–	–
Reserves		**(84,618)**	284,075	425,892
Equity attributable to owners of the Company		**134,407**	385,675	527,492
Non-controlling interests		**53,486**	–	–
Total equity		**187,893**	385,675	527,492

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sunway International Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and the issued shares of which are listed on The Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Rooms 1708–1710, Nan Fung Centre, 264–298 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong. During the year, the Company's principal activity is investment holding

The Group is principally engaged in the design, development, manufacture and sale of a wide range of (1) electronics and related components and parts (including principally quartz crystals, liquid crystal displays, printed circuit boards and watch movements); and (2) consumer electronic products (including principally electronic calculators, telecommunication phones, electronic watches and clocks and digital products).

As stated in the circular dated 31 March 2014, First Billion Global Limited ("First Billion"), a direct wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with Mr. Xiao Guang Kevin, for the purchase of 100% equity interest in Joint Expert Global Limited ("Joint Expert"), which is engaged in the manufacturing and trading the construction materials business (the "Construction Materials Business"). The acquisition of Construction Materials Business was completed on 2 May 2014. As stated in the announcement dated 26 November 2014 and 15 December 2014, and the circular dated on 12 January 2015 issued by the Company, the directors determined to dispose of the existing electronic business and then focus on the Construction Materials Business. Upon the completion, the Company and its subsidiaries (collectively referred to as the "Group") will cease to be engaged in the electronic business and the principal activities of the Company and its subsidiaries will be changed to manufacturing and trading of construction materials. Existing electronic business are presented as discontinued operation in these financial statements as further disclosed in note 7.

Pursuant to a resolution of the board of directors dated 28 July 2014, the financial year of the Company has been changed from 30 September to 31 December. These consolidated financial statements now presented cover a period of fifteen months from 1 October 2013 to 31 December 2014. Accordingly, the comparative figures presented for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover the financial year from 1 October 2012 to 30 September 2013, are not comparable with those of the current period. The change of the financial year end date of the Company is to align its financial year end date with all of its major operating subsidiaries.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

2.1. Basis of presentation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. In addition, the financial statements also comply with applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, certain property, plant and equipment and available-for-sale financial assets which are measured at fair value. These consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.1 Basis of presentation *(continued)*

Going concern basis

As at 31 December 2014, a subsidiary (the "Subsidiary") of the Group recorded outstanding bank borrowings and note payables of HK$82,268,000 (equivalent to RMB65,240,000) and HK$31,020,000 (equivalent to RMB24,599,000) which were due for repayment or renewal within the next twelve months after 31 December 2014. Subsequent to 31 December 2014, the Subsidiary was in default of its repayment on certain note payables amounting to HK$11,879,000 (equivalent to RMB9,420,000) (the "Note Payables"). In March 2015, a bank filed a lawsuit in Zhuhai Xiangzhou People's Court (珠海市香洲區人民法院) against the Subsidiary to demand immediate repayment of the Note Payables and related interest charges amounting to HK$5,900,000 (equivalent to RMB4,679,000). In addition, a creditor filed a lawsuit in Zhuhai Doumen People's Court (珠海市斗門區人民法院) against the Subsidiary to demand immediate repayment of overdue certain construction service fee and related interest charges of HK$1,999,000 (equivalent to RMB1,585,000).

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2014 and subsequently thereto up to the date of approval of the consolidated financial statements. In order to improve the Group's financial positions, immediate liquidity and cash flows, the directors of the Company have adopted several measures together with other measures in progress at the date of approval of these consolidated financial statements which include, but not limited to, the followings:

(i) Apply cost control measures in cost of sales and administrative expenses;

(ii) Accelerate the collection process of trade receivables;

(iii) The Group is currently in the process of negotiating with banks and a creditor to renew or roll over the Group's note payables, interest-bearing borrowings and other payable;

(iv) For interest-bearing borrowings which will be mature before 31 December 2015, the Group will actively negotiate with the banks when they fall due to secure necessary fund to meet the Group's working capital and financial requirements in the future; and

(v) Ms. Wong King Ching, Helen, an executive director and a substantial shareholder of the Company, has agreed to provide continuous financial support to the Group.

The directors are of the opinion that, after taking into account the measures as mentioned above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from 31 December 2014. Accordingly the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to write down the carrying value of the Group's assets to their estimated recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Application of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current period's consolidated financial statements.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
HKFRS 7 Amendments	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 19 (2011)	Employee Benefits
HKAS 28 (2011)	Investment in Associates and Joint Venture
HKAS 36 Amendments (early adopted)	Amendments to Recoverable Account Disclosure for Non-Financial Assets
HK (IFRIC) – Int 20	Stopping Costs on the Production Phase of a Surface Mine

The adoption of these new amendments had no material impact on how the Group's results and financial position for the current period and prior years have been prepared and presented except as follows:

HKFRS 10 *Consolidated Financial Statements*

HKFRS 10 replaces the requirements in HKAS 27 *Consolidated and Separate Financial Statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation – Special Purpose Entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. The adoption does not change any of the control conclusion reached by the Group in respect of its involvement with other entities as at 1 October 2013.

HKFRS 12 *Disclosure of Interests in Other Entities*

HKFRS 12 integrates and makes consistent the disclosure requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements. As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Application of new and revised HKFRSs *(continued)*

HKFRS 13 *Fair Value Measurement*

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 *Financial Instruments: Disclosures*. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask price for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit (the "CGU") which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or CGUs for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The Group has early adopted the amendments to HKAS36 in the current period.

2.3 New and revised HKFRSs and new disclosure requirements under the Hong Kong Company Ordinance not yet adopted

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, and are potentially relevant to the Group's consolidated financial statements.

		Effective for annual reporting periods beginning on or after
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Investment Entities	1 January 2014
HK (IFRIC) – Int 21	Levies	1 January 2014
HKAS 19 (2011) Amendments	Defined Benefit Plans: Employee Contributions	1 July 2014

2. **BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES** *(continued)*

2.3 New and revised HKFRSs and new disclosure requirements under the Hong Kong Company Ordinance not yet adopted *(continued)*

		Effective for annual reporting periods beginning on or after
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle	1 July 2014
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle	1 July 2014
HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (2011) Amendments	Equity Method in Separate Financial Statements	1 January 2016
HKFRS10 and HKAS 28 (2011) Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14*	Regulatory Deferral Accounts	1 January 2016
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9 (2014)	Financial Instruments	1 January 2018

* HKFRS 14 applies to first annual HKFRS financial statements for a period beginning on or after 1 January 2016 and therefore is not applicable to the Group.

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, it has concluded that the above new and revised HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.3 New and revised HKFRSs and new disclosure requirements under the Hong Kong Company Ordinance not yet adopted *(continued)*

HKFRS 9 *Financial Instruments*

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The group expects to adopt HKFRS 9 from 1 January 2018. The group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

3. PRIOR YEAR ADJUSTMENTS

In preparing the consolidated financial statements of the Group for the fifteen months ended 31 December 2014, the Directors of the Company had revisited the facts and circumstances associated of certain areas. The consolidated financial statements for the year ended 30 September 2013 have been restated to correct these errors. The effect of the restatements in the consolidated statements of financial position and the consolidated statements of comprehensive income are summarised as below:

(i) Provision for social security contribution and severance payments

Understatement of provision for social security contribution and severance payment in the People's Republic of China (the "PRC") in prior years was discovered. As a result of a detailed review, the administrative expenses in consolidated income statement and exchange reserve in consolidated statement of comprehensive income for the year ended 30 September 2013 has been overstated by approximately HK$5,765,000 and HK$2,438,000 respectively. The opening balance of equity as at 1 October 2012 has been overstated by approximately HK$83,381,000 and the opening balance of other payables, accruals and deposit received has been understated by approximately HK$83,381,000.

(ii) Measurement of recognition of building under revaluation model

The Group constructed a production factory in prior years. After recognition as an asset, the production factory was carried at its cost less any accumulated depreciation. The Group failed to adopt the Group's accounting policy as stated in note 3.3 to measure the production factory at revalued amount. As at 30 September 2013 and 1 October 2012, the carrying amount of the production factory recognised as building in property, plant and equipment was HK$1,033,000 and HK$2,911,000 respectively. During the current period, the Directors of the Company have measured the fair value of that production factory to be HK$13,430,000 and HK$12,987,000 as of 30 September 2013 and 1 October 2012 respectively.

3. **PRIOR YEAR ADJUSTMENTS** *(continued)*

(ii) **Measurement of recognition of building under revaluation model** *(continued)*

Accordingly, the depreciation included in cost of sales in consolidated income statement for the year ended 30 September 2013 has been overstated by approximately HK$1,113,000. The revaluation surplus and exchange reserves in the consolidated statement of comprehensive income for the year ended 30 September 2013 has been understated by approximately HK$665,000 and HK$234,000, respectively. In addition, the opening balance of property, plant and equipment, accumulated depreciation, deferred tax liabilities, assets revaluation surplus and reserves as at 1 October 2012 have been understated by approximately HK$11,333,000, HK$1,257,000, HK$2,833,000, HK$8,500,000 and HK$7,243,000 respectively.

As a result of the above restatements, the opening consolidated statement of financial position as at 1 October 2012 has been presented in accordance with the requirement of the HKAS1 (Revised). The effects of the prior period adjustments are summarised below:

Consolidated Statement of Financial Position:

	30 September 2013 *HK$'000*	**1 October 2012** *HK$'000*
Equity attributable to the owners of the Company:		
Increase in revaluation surplus	9,165	8,500
Decrease in exchange reserve	(2,203)	–
Increase in accumulated losses	(77,760)	(84,638)
Decrease in total equity	(70,798)	(76,138)
Increase in property, plant and equipment	12,397	10,076
Increase in deferred tax liabilities	(3,141)	(2,833)
Increase in accruals and other payables	(80,054)	(83,381)
Decrease in net assets	(70,798)	(76,138)

Consolidated Statement of Comprehensive Income for the year ended 30 September 2013:

	Year ended 30 September 2013 *HK$'000*
Decrease in cost of sales	1,113
Decrease in administrative expenses	5,765
Decrease in exchange reserve	(2,203)
Increase in revaluation surplus	665
Increase in total comprehensive income for the year	5,340
	HK cents
Loss per share for the year ended 30 September 2013:	
Basic and diluted loss per share, as previously reported	21
Adjustments	(1)
Basic and diluted loss per share, as restated	20

4. OPERATING SEGMENT INFORMATION

As a result of the acquisition as set out in the Note 12, the Group has two additional reportable business Segments: (1) pre-stressed (“PC”) steel bars and (2) pre-stressed high-strength concrete (“PHC”) piles and others._

For management purpose, the Group is organised into business units based on their products and has four reportable operating segments as follows:

Continuing operations

(a) the PC steel bars consists of the manufacture and sale of PC steel bars;

(b) the PHC piles and others consists of the manufacture and sale of PHC piles, ready mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products;

Discontinued operations

(c) the electronic components and parts segment consists of the design, development, manufacture and sale of electronic components and parts; and

(d) the consumer electronic products segment consists of the design, development, manufacture and sale of consumer electronic products.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reporting segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group’s loss before tax except that head office and corporate expenses, share of results of a joint venture, bank and other interest income, other income, other gains and losses, finance costs are excluded from such measurement. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets exclude goodwill, interest in a joint venture, available-for-sale financial assets, pledged bank deposits, cash and bank balances and unallocated head office and corporate assets as these assets are managed on a group basis. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Segment liabilities exclude promissory note, other payable, tax payable, deferred tax liabilities, interest-bearing borrowings and other borrowing and unallocated head office and corporate liabilities, as these liabilities are managed on a group basis. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) Segment results, segment assets and liabilities

For the 15 months ended 31 December 2014	Continuing operations: PC steel bar HK$'000	Continuing operations: PHC piles and others HK$'000	Continuing operations: Elimination HK$'000	Continuing operations: Sub-total HK$'000	Discontinued operations: Electronic components and parts HK$'000	Discontinued operations: Consumer electronic products HK$'000	Discontinued operations: Sub-total HK$'000	Total HK$'000
Segment revenue								
Revenue from external customers	69,967	243,943	(8,862)	305,048	344,012	425,934	769,946	1,074,994
Reportable segment profit/(loss) from operations	(59,397)	31,094	–	(28,303)	(138,197)	(159,250)	(297,447)	(325,750)
Reconciliation:								
Bank and other interest income				141			3,206	3,347
Other income, gains and losses				73			27,552	27,625
Finance costs				(20,682)			(37,150)	(57,832)
Share of loss of a joint venture				–			(798)	(798)
Unallocated head office and corporate expenses				(22,533)			(882)	(23,415)
Loss before tax				(71,304)			(305,519)	(376,823)
Other segment information:								
Capital expenditure#	(82)	(159)	–	(241)	(10,864)	(12,183)	(23,047)	(23,288)
Depreciation	(1,015)	(14,190)	–	(15,205)	(45,057)	(51,001)	(96,058)	(111,263)
Amortisation of prepaid land lease payments	(180)	(401)	–	(581)	(1,156)	(1,296)	(2,452)	(3,033)
Amortisation of intangible asset	–	(31)	–	(31)	–	–	–	(31)
Gain on disposal on property, plant and equipment	–	–	–	–	3,506	3,928	7,434	7,434
Loss on written off of property, plant and equipment	–	–	–	–	(929)	(1,041)	(1,970)	(1,970)
Write down of inventories to net realisable value	(768)	–	–	(768)	(17,460)	(19,562)	(37,022)	(37,790)
Reversal of write down of inventories	–	–	–	–	13,591	15,227	28,818	28,818
Provision for impairment on trade receivables	(18,259)	(2,192)	–	(20,451)	(16,167)	(18,056)	(34,223)	(54,674)
Reversal of impairment on trade receivables	–	–	–	–	5,804	6,516	12,320	12,320
Provision for impairment on other receivables	–	(18)	–	(18)	(3,440)	(3,854)	(7,294)	(7,312)
As at 31 December 2014								
Segment assets	157,216	396,231	–	553,447	324,517	375,519	700,036	1,253,483
Segment liabilities	131,584	230,542	–	362,126	120,968	153,274	274,242	636,368

\# *Capital expenditure consists of additions to property, plant and equipment*

4. OPERATING SEGMENT INFORMATION *(continued)*

(a) *Segment results, segment assets and liabilities (continued)*

For the 12 months ended 30 September 2013	Continuing operations				Discontinued operations			
	PC steel bar *HK$'000*	PHC piles and others *HK$'000*	Elimination *HK$'000*	Sub-total *HK$'000*	Electronic components and parts *HK$'000* *(restated)*	Consumer electronic products *HK$'000* *(restated)*	Sub-total *HK$'000* *(restated)*	Total *HK$'000* *(restated)*
Segment revenue								
Revenue from external customers	–	–	–	–	211,999	576,348	788,347	788,347
Reportable segment loss from operations	–	–	–	–	(44,261)	(111,845)	(156,106)	(156,106)
Reconciliation:								
Bank and other interest income				246			13,496	13,742
Other income, gains and losses				(1,295)			4,135	2,840
Finance costs				–			(40,372)	(40,372)
Share of loss of a joint venture				–			(7,561)	(7,561)
Unallocated head office and corporate expenses				(11,856)			(485)	(12,341)
Loss before tax				(12,905)			(186,893)	(199,798)
Other segment information:								
Capital expenditure#	–	–	–	–	(4,229)	(10,752)	(14,981)	(14,981)
Depreciation	–	–	–	–	(25,011)	(62,885)	(87,896)	(87,896)
Amortisation of prepaid land lease payments	–	–	–	–	(531)	(1,327)	(1,858)	(1,858)
Write down of inventories to net realisable value	–	–	–	–	(7,326)	(18,036)	(25,362)	(25,362)
Reversal of inventories	–	–	–	–	10,403	25,997	36,400	36,400
Provision for impairment of trade receivables	–	–	–	–	(3,874)	(9,231)	(13,105)	(13,105)
Reversal of impairment of trade receivables	–	–	–	–	5,856	14,770	20,626	20,626
Provision for impairment of other receivables	–	–	–	–	(580)	(1,449)	(2,029)	(2,029)
As at 30 September 2013								
Segment assets	–	–	–	–	259,336	651,272	910,608	910,608
Segment liabilities	–	–	–	–	71,859	199,351	271,210	271,210

\# *Capital expenditure consists of additions to property, plant and equipment*

4. OPERATING SEGMENT INFORMATION *(continued)*

(b) Geographical information

The geographical location of revenue information is based on the locations of customers at which the goods delivered.

(i) Revenue from external customers

	Continuing operations		**Discontinued operations**	
	Fifteen months ended 31 December 2014	Year ended 30 September 2013	**Fifteen months ended 31 December 2014**	Year ended 30 September 2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**28,964**	28,926
The PRC	**305,048**	–	**81,077**	172,865
Other Asian countries*	**–**	–	**141,643**	226,253
American countries**	**–**	–	**467,574**	201,599
European countries***	**–**	–	**34,179**	135,363
African countries****	**–**	–	**16,509**	23,341
Consolidated	**305,048**	–	**769,946**	788,347

* Other Asian countries principally included Indonesia, Japan, Korea, Taiwan and Pakistan.

** American countries principally included the United States, Chile, Peru, Argentina, Mexico and Brazil.

*** European countries principally included Poland, Spain, France, Germany and England.

**** African countries principally included Lagos, Nigeria, Kenya and Egypt.

The Group's non-current assets are located in China, including Hong Kong.

(c) Information about major customers

For the period from 1 October 2013 to 31 December 2014, no customer has contributed 10% or more of the Group's total revenue.

For the year ended 30 September 2013, the Group had transactions with one customer, which contributed over 10% of the Group's revenue. The total revenue earned from this customer amounting to HK$94,783,000.

5. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	Fifteen months ended 31 December 2014 *HK$'000*	Year ended 30 September 2013 *HK$'000* (Restated)
Auditor's remuneration:		
Audit fee	**1,500**	1,259
Non-audit services	**1,700**	–
	3,200	1,259
Amortisation of prepaid land lease payments*	**581**	–
Amortisation of intangible asset#	**31**	–
Cost of inventories sold*	**231,999**	–
Minimum lease payments under operating leases in respect of land and buildings	**121**	–
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**26,127**	5,538
Pension scheme contributions^	**5,929**	45
Reversal of provision for long service payment, net	**(32)**	(19)
Equity-settled share option expenses	**1,619**	1,986
	33,643	7,550

* *These items are included in "cost of sales" in the consolidated income statement.*

\# *These items are included in "administrative expenses" in the consolidated income statement.*

^ *As at 31 December 2014, the Group had no forfeited contribution available reduce its contributions to pension scheme in future years (30 September 2013: Nil).*

As at 31 December 2014, the Group had no for failed contribution available reduce its contributions to person scheme in future years (30 September 2013: Nil).

6. INCOME TAX

No provision for Hong Kong profits tax had been made during the period (year ended 30 September 2013: Nil) as the Group did not generate any assessable profits arising in Hong Kong. Subsidiaries established in the PRC are subject to the PRC enterprise income tax at the standard rate of 25% (year ended 30 September 2013: 25%).

	Fifteen months ended 31 December 2014	Year ended 30 September 2013
	HK$'000	*HK$'000*
		(Restated)
Current tax – PRC Enterprise		
– Current tax for the year	**8,586**	–
– Over-provision in prior years	**(234)**	–
	8,352	–
Deferred tax	**(712)**	–
	7,640	–

7. DISCONTINUED OPERATIONS

On 17 November 2014, the Group entered into a sale and purchase agreement with Feng Hao Holdings Limited (the "Purchaser"), pursuant to which, the Group agrees to dispose its 100% entire interests in Sunway International (BVI) Holdings Limited and Sunway International Investment Holdings Limited and its subsidiaries (collectively referred to the "Disposal Group") at a consideration of HK$180,000,000. On 15 December 2014, the Group and the Purchaser have agreed to enter into the supplemental Agreement to increase the consideration to HK$300,000,000. The Disposal Group was engaged in the design, development, manufacture and sale of a wide range of electronics and related components and parts and consumer electronic products in the PRC. The disposal of the Disposal Group was completed on 30 January 2015. As at 31 December 2014, the Disposal Group were classified as a disposal group held-for-sale and presented as a discounted operations.

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of the disposal groups, is as follows:

	Fifteen months ended 31 December 2014	Year ended 30 September 2013
	HK$'000	*HK$'000*
Revenue	**769,946**	788,347
Expenses	**(1,075,465)**	(975,240)
Loss before tax	**(305,519)**	(186,893)
Income tax expense	**(4,853)**	(6,647)
Loss after tax of discontinued operations	**(310,372)**	(193,540)
Loss on remeasurement to fair value less costs to sell	**–**	–
Loss for the period/year from discontinued operations	**(310,372)**	(193,540)

8. DIVIDENDS

No dividend was paid or proposed during the period, nor has any dividend been proposed since the end of the reporting period (year ended 30 September 2013: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share amount is based on the loss for the period/year attributable to equity holder of the parent and the weighted average number of ordinary shares in issue throughout the period/year.

	Fifteen months ended 31 December 2014	Year ended 30 September 2013
	HK$'000	*HK$'000*
Loss:		
Loss for the period/year attributable to equity holders of the parent used in the basic and diluted loss per share calculation:		
From the continuing operations	**(84,033)**	(12,905)
From the discontinued operations	**(310,372)**	(193,540)
	(394,405)	(206,445)
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basis and diluted loss per share	**1,131,686**	1,016,001

For the period ended 31 December 2014, and year ended 30 September 2013, no adjustment has been made to the basic loss per share amounts presented, as the conversion of the Company's outstanding convertible notes and exercise of outstanding share options had an anti-dilutive effect on the basic loss per share calculation.

10. TRADE AND BILL RECEIVABLES

The Group's trading terms with its customers are mainly on credit except for new customers, where payment in advance is normally required. The credit period is generally for a period of one to three (30 September 2013: three) months from the date of billing, except for certain well-established customers, where the terms are extended to six months. The Group seeks to maintain strict control over its receivables to minimise credit risk. Trade receivables are non-interest-bearing.

	31 December 2014 *HK$'000*	30 September 2013 *HK$'000*
Trade receivables, gross	**193,874**	226,296
Less: provision for impairment	**(27,322)**	(20,818)
Trade receivables, net	**166,552**	205,478
Bill receivables	**5,044**	–
	171,596	205,478

Ageing analysis

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	31 December 2014 *HK$'000*	30 September 2013 *HK$'000*
Within 3 months	**111,978**	100,757
4 to 6 months	**26,053**	75,475
Over 6 months	**28,521**	29,246
	166,552	205,478

11. TRADE AND BILL PAYABLES

	31 December 2014 *HK$'000*	30 September 2013 *HK$'000*
Trade payables	**68,768**	121,330
Bill payables	**36,063**	–
	104,831	121,330

11. TRADE AND BILL PAYABLES *(continued)*

An ageing analysis of trade payables as at the end of the reporting period, based on invoice date, is as follows:

	31 December 2014	30 September 2013
	HK$'000	*HK$'000*
Within 3 months	**43,461**	71,656
4 to 6 months	**7,993**	34,910
7 to 12 months	**9,044**	7,683
Over 1 year	**8,270**	7,081
	68,768	121,330

The trade payables are non-interest bearing and the average credit terms received from suppliers of the Group is 30 days (30 September 2013: 90 days). The group has finance risk management policies in place to ensure that all payable are paid within the credit timeframe.

12. BUSINESS COMBINATION

On 2 May 2014, the Group acquired a 100% equity interest in Joint Expert and its subsidiaries from an independent third party at a consideration of HK$550,000,000 (the "Acquisition").

The subsidiaries of Joint Expert are as follows:

	Percentage of ownership interest acquired by the Group
Royal Asia International Limited	100%
Zhuhai Hoston Special Materials Co., Ltd. ("Zhuhai Hoston")	95%
Guangdong Hengjia Building Materials Co., Ltd. ("Guangdong Hengjia")	66.5%

Upon completion of the Acquisition, Joint Expert became indirectly wholly-owned by the Company and one of the directors of Joint Expert is a director of the Company, as such the Company has a right to control Joint Expert. As a result, the Acquisition was treated as a business combination under HKFRS 3 (Revised) *Business Combinations*.

Joint Expert and its subsidiaries are engaged in Construction Material Business. The acquisition was made with the aims to diversify the Group's business.

12. BUSINESS COMBINATION DURING THE PERIOD *(continued)*

The fair value of identifiable assets and liabilities of the Joint Expert at the date of acquisition were:

	Fair value recognised on acquisition
	HK$'000
Property, plant and equipment	177,137
Land use rights	35,535
Intangible assets	111
Deferred tax assets	4,027
Inventories	39,036
Trade and bill receivables	142,374
Prepayment, deposit and other receivables	150,026
Pledged bank deposits	5,773
Cash and bank balances	5,095
Interest-bearing borrowings	(123,176)
Trade and bill payables	(105,512)
Other payables, accruals and deposit received	(41,747)
Amount due to non-controlling shareholder	(71,194)
Tax payable	(15,514)
Deferred tax liabilities	(5,390)
Non-controlling interests	(47,396)
	149,185
Goodwill arising on acquisition	127,323
	276,508
Satisfied by:	
Other payable	129,258
Promissory note	73,325
Convertible notes	125,992
Profit guarantee	(52,067)
	276,508

13. EVENTS AFTER THE REPORTING PERIOD

(a) Disposal of subsidiaries

According to the announcement of the Company dated 30 January 2015, all conditions precedent of the Disposal under the sale and purchase agreement have been fulfilled and the Disposal was completed. Upon Completion, the Company no longer holds any equity interest in the Disposal Group, and all companies of the Disposal Group cease to be subsidiaries of the Company.

According to the carrying amount of the identifiable assets and liabilities of the Disposal Group as at 31 December 2014, it is expected that a gain of approximately HK$233,610,000 will be realised from the Disposal.

(b) Litigation

Zhuhai Hoston was in default of its repayment on certain note payables amounting to HK$11,879,000 (equivalent to RMB9,420,000) (the "Note Payables"). In March 2015, a bank filed a lawsuit in Zhuhai Xiangzhou People's Court (珠海市香洲區人民法院) against Zhuhai Hoston to demand immediate repayment of the Note Payables and related interest charges amounting to HK$5,900,000 (equivalent to RMB4,679,000).

In addition, a creditor filed a lawsuit in Zhuhai Doumen People's Court (珠海市斗門區人民法院) against Zhuhai Hoston to demand immediate repayment of overdue certain construction service fee and related interest charges of HK$1,999,000 (equivalent to RMB1,585,000).

The Group is currently in the process of negotiating with the bank and a creditor to renew or roll over the abovementioned payables.

Save as disclosed above, there are no other material events subsequent to the fifteen months ended 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS AND OPERATION

CONTINUING OPERATIONS

Pre-stressed steel bar (“PC steel bar”) business

One of the newly acquired subsidiaries, Zhuhai Hoston Special Materials Co., Limited (“Zhuhai Hoston”), is principally engaged in research and development, manufacture and sale of pre-stressed steel bars, steel strand wire, various pre-stressed materials and their respective production equipment, and industrial and building pre-stressed materials. The production base is located in the Zhuhai City, the PRC. Zhuhai Hoston’s customers are mainly construction material manufacturers which are located in the Guangdong province.

Revenue from the date of acquisition to 31 December 2014 represented HK$69,967,000. Segment loss for the period is HK$59,397,000. Loss for the period was mainly attributable to the provision for impairment of trade receivables of HK$18,259,000 and provision for impairment of goodwill of HK$42,902,000.

Pre-stressed high-strength concrete piles (“PHC piles”) business

Other newly acquired subsidiary, Guangdong Hengjia Building Materials Co., Ltd (廣東恒佳建材股份有限公司) (“Guangdong Hengjia”), is principally engaged in manufacture and sale of pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products. The production base is located in the Yangjiang City, the PRC. Hengjia’s customers are mainly property developers which are located in the Guangdong province.

Revenue from the date of acquisition to 31 December 2014 represented HK$243,943,000. Profit for the period in this segment is HK$31,094,000.

Tightening credit measures in the PRC gave pressure to the property market and construction activities which adversely affect the newly acquired construction material business during the period.

Selling and distribution expenses for the period were mainly transportation costs and salaries for the sale-persons.

Administrative expenses mainly comprised of salaries for the directors and administrative staff, legal and professional fees, various taxes and levies paid to the PRC Government.

Finance costs were interest expenses for the bank borrowings and imputed interest expenses on other payable and promissory note.

Loss for the period was mainly arising from the impairment of goodwill for Zhuhai Hoston of HK$42,902,000, provision for impairment of trade receivables HK$20,451,000 and the imputed interest on other payable and promissory note of HK$14,008,000. Legal and professional fees for the transaction of business acquisition set out in the Note 12 and the disposal of electronic business set out in the Note 7 driven up the administrative expenses by HK$5,921,000.

DISCONTINUED OPERATIONS

On 30 January 2015, the Group completed the transaction of disposal of Sunway BVI and Sunway Investment which are principally engaged in design, development, manufacture and sale of a wide range of consumer electronic products and electronic components and parts. As at 31 December 2014, Sunway BVI and Sunway Investment and their subsidiaries were classified as a disposal group held for sale and presented as discontinued operations.

Consumer electronic products mainly represent electronic calculators, watches and clocks and digital products. Aggregated revenue for the period was HK$425,934,000 compared with HK$576,348,000 last year, represented a significant decrease of HK$150,414,000. The decrease was mainly driven by the drop of revenue from electronic calculator. Shortage of labour in the PRC caused significant delay on the production lead time and thus, sales volume dropped.

Electronic components and parts mainly comprise of Chip On Glass (“COG”), Liquid Crystal Displays (“LCD”) and Quartz. Aggregated revenue for the period increased significantly by HK$132,013,000 from HK$211,999,000 last year to HK$344,012,000. COG boosts up the revenue of this segment and was mainly due to the launchment of bigger size of the COG for tablet with higher selling price.

The electronic products were mainly sold in the PRC and the North/South America countries.

Electronic business remains deteriorated during the period. Productivity and sales volume had significantly dropped. However, the fixed costs such as depreciation on the plant and machinery and amortisation remained to drive up the loss on the electronic business. Meanwhile, further written down of inventories of HK$8,204,000 to net realizable value was made in review of the obsoleteness of the inventories.

The management placed significant attentions on evaluating individual assets of the electronic business. Provision for impairment on trade receivables of HK$21,903,000 and other receivables of HK$7,294,000 were made for the long outstanding balances. In view of the joint venture has made losses for many years, it is expected the entire investment costs will not be recoverable. Provision for impairment on joint venture of HK$1,274,000 was made.

Selling and distribution expenses and administrative expenses generally dropped in compare with last year due to scale-down of the production.

As a result, loss attributable by the electronic business for the period was HK$310,372,000 as compare to HK$193,540,000 (restated) last year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group normally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in both Hong Kong and the PRC. As at 31 December 2014, the total shareholders' equity of the Group was approximately HK$187,893,000, representing a decrease of 51.3% over last year. As at 31 December 2014, the Group's cash and bank balances and pledged time deposits stood at HK$28,014,000 whereas interest-bearing borrowings were HK$141,219,000. During the period, the Group did not use any financial instruments for any hedging purposes. The gearing ratio, which was computed by dividing the current liabilities and long term liabilities by shareholders' equity, was 7.83 times as at 31 December 2014.

SIGNIFICANT INVESTMENTS AND ACQUISITION

On 2 May 2014, the Group completed the acquisition of 100% equity interest in Joint Expert Global Limited and its subsidiaries. The aggregate consideration payable by the Group to the Vendor was HK$550,000,000 and to be satisfied by cash of HK$150,000,000 payable on 30 June 2016, convertible notes in the aggregate principal amount of HK$300,000,000 which will be matured on 28 April 2017 and interest-free promissory note of HK$100,000,000 which will be matured on 2 May 2017. As at the date of completion, the fair value of the aggregate consideration payable was HK$276,508,000. The fair value of the assets and liabilities acquired was HK$149,185,000 and therefore goodwill of HK$127,323,000 arised on the acquisition.

During the period, the Group incurred HK$23,288,000 on additions to construction in progress, plant and equipment to upgrade its manufacturing capabilities.

CAPITAL STRUCTURE

No repurchases of shares were made during the year. On 2 November 2009, the Company granted options to certain directors and employees of the Group to subscribe for a total of 90,600,000 ordinary shares of HK$0.1 per share each on or before 1 November 2019. As at 31 December 2014, the number of shares in respect of which options had been granted and exercisable was 51,000,000. 7,000,000 share options were lapsed and 18,300,000 share options were exercised during the period.

On 2 May 2014, the Company issued convertible notes with an aggregate principal amount of HK$300,000,000 in connection with the acquisition of the construction material business set out in note 12. The convertible notes will be matured on 28 April 2017. During the period, the convertible notes with an aggregate carrying amount of HK$50,397,000 had been exercised. 399,999,998 ordinary shares of HK$0.1 per share each had been issued accordingly.

PLEDGE OF ASSETS

The Group's certain leasehold land and buildings of HK$67,350,000, certain prepaid land lease payments of HK$34,954,000, certain plant and machinery of HK$18,471,000, bank deposits of HK$7,485,000, certain inventories of HK$10,122,000, certain trade receivable of HK$5,044,000 and certain other receivables of HK$5,424,000 are used to secure banking facilities for the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group has approximately 3,200 full time management, administrative, technical and production staff in the PRC and Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practice. The Group's Directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other staff benefit includes share options granted or to be granted under the share option scheme.

FOREIGN EXCHANGE AND CURRENCY RISKS

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB"), United States Dollars ("USD") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against USD and RMB, respectively. Considering that HKD is pegged against USD, the Group believes that the corresponding exposure to USD exchange rate fluctuation is nominal. However, the Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner.

COMMITMENT

As at 31 December 2014, the Group has contracted commitments of HK$2,735,000 (30 September 2013: HK$1,897,000) for acquisition of property, plant and equipment and HK$9,726,000 (30 September 2013: Nil) for acquisition of land use rights.

CONTINGENT LIABILITIES

As at 31 December 2014, the Company had contingent liabilities in relation to corporate guarantees executed by the Company in favour of banks for general banking facilities granted to subsidiaries of the Company amounting to HK$100,000,000 (30 September 2013: HK$28,000,000) and such facilities were utilised to the extent of HK$62,339,000 (30 September 2013: HK$6,468,000).

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

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

PROSPECT

Although the Group has used its best endeavour to promote the electronic business over past years, its result continue to deteriorate and there is no sign of improvement of its performance. The Group has implement the group restructuring plan during the year including diversify to construction materials business and disposal of electronic business.

On 30 January 2015, the disposal of electronic business was completed. Following the disposal, the Group ceased to engage in the electronic business and will focus on the construction material business.

The Group will develop an integrated supply platform to provide customers an one-stop service by offering a variety of products. In light of the increasing awareness of environmental protection in the PRC, the Group has expanded its product portfolio into the recommended green product catalog under the governmental preferential policy in the PRC to enjoy the relevant tax benefits for its business. The board expects the construction materials business can capture a larger market share in the local region and expand its sales to its surrounding areas in the future.

With reference to the statistic released by the Guangdong Statistic Bureau, the board expects the growth of investment in property development in Guangdong Province will continue, thus it would increase the demand of construction materials.

The board expects that there will be a stable stream of income and aspires to expand the construction materials business. The board is confident that the construction materials business will become a driver to enhance growth and overall performance of the Group in the future.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 1 June 2015 to 4 June 2015 both dates inclusive, during which period no transfer of shares will be registered.

In order to qualify for exercising the voting rights of shareholders at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 29 May 2015.

AUDIT COMMITTEE

The Company's Audit Committee was established on 6 August 1999 in accordance with the requirements of the Code of Best Practice (the "Code") for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. Members of the Audit Committee at the date of this announcement comprised Ms. Fong Yin Cheung, Mr. Hung Yat Ming and Mr. So Day Wing, the three Independent Non-executive Directors of the Company. The Group's financial statements for the fifteen months ended 31 December 2014 have been reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards, the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Remuneration Committee, comprises the three Independent Non-executive Directors of the Company, the Chairman, Ms. Wong King Ching, Helen and Mr. Leung Chi Fai, the Finance Director of the Company, is responsible for reviewing and evaluating the remuneration packages of the Executive Directors and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Nomination Committee, comprises the three Executive Directors, Ms. Wong King Ching, Helen, Ms. Wong King Man and Mr. Leung Chi Fai and the three Independent Non-executive Directors of the Company. It is responsible for the appointment of new directors. To maintain the quality of the Board with a balance of skills and experience, the Committee will identify individuals suitably qualified to become directors when necessary. In evaluating whether an appointee is suitable to act as a director, the Committee will consider the experience, qualification and other relevant factors.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The independent auditor of the Company will issue a disclaimer of opinion on the consolidated financial statements of the Group. The below section sets out an extract of independent auditor's report regarding the consolidated financial statements of the Group for the fifteen months ended 31 December 2014:

Basis for disclaimer of opinion

(a) Prepayments, deposits and other receivables

The Group recorded prepayments, deposits and other receivables of HK$132,672,000 as at 31 December 2014. The balance includes an amount of HK$43,445,000 which was purported to be prepayments to certain suppliers for purchase of goods and machineries (the "Prepayment"). However, subsequent to the period ended 31 December 2014, there have been no goods or machineries received from those suppliers in relation to the Prepayment. In the absence of sufficient evidence available to us to ascertain the nature and recoverability of the Prepayment as at 31 December 2014, we were unable to satisfy ourselves that these amounts were properly accounted for and disclosed in the consolidated financial statements.

(b) Going concern basis

As at 31 December 2014, a subsidiary (the "Subsidiary") of the Group recorded outstanding bank borrowings and note payables of HK$82,268,000 (equivalent to RMB65,240,000) and HK$31,020,000 (equivalent to RMB24,599,000) which were due for repayment or renewal within the next twelve months after 31 December 2014. Subsequent to 31 December 2014, the Subsidiary was in default of its repayment on certain note payables amounting to HK$11,879,000 (equivalent to RMB9,420,000) (the

"Note Payables"). In March 2015, a bank filed a lawsuit in Zhuhai Xiangzhou People's Court (珠海市香洲區人民法院) against the Subsidiary to demand immediate repayment of the Note Payables and related interest charges amounting to HK$5,900,000 (equivalent to RMB4,679,000). In addition, a creditor filed a lawsuit in Zhuhai Doumen People's Court (珠海市斗門區人民法院) against the Subsidiary to demand immediate repayment of overdue certain construction service fee and related interest charges of HK$1,999,000 (equivalent to RMB1,585,000).

As further explained in note 2.1, the directors of the Company are undertaking steps to improve the Subsidiary's liquidity and financial position. These steps mainly include, but not limit to: (i) apply cost control measures in cost of sales and administrative expenses; (ii) accelerate the collection process of trade receivables; (iii) the Group is currently in the process of negotiating with a bank and a creditor to renew or roll over the Subsidiary's note payables, interest-bearing borrowings and other payables; (iv) for interest-bearing borrowings of the Subsidiary which will be mature before 31 December 2015, the Group will actively negotiate with the banks when they fall due to secure necessary fund to meet the Group's working capital and financial requirements in the future; and (v) Ms. Wong King Ching, Helen, an executive director and a substantial shareholder of the Company, has agreed to provide continuous financial support to the Group. The consolidated financial statements have been prepared on a going concern basis, the validity is dependent on the successful and favourable outcomes of the steps being taken by the directors of the Company as described above. Based on the above, the directors have prepared the consolidated financial statements on the assumption that the Group will continue as a going concern. As at the date of approval of the financial statements, the result of these measures have not yet been concluded and we have not been able to obtain evidence that we consider necessary to satisfy ourselves that whether the adoption of going concern basis in these consolidated financial statements is appropriate.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion as to whether the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the Group's loss and cash flows for period from 1 October 2013 to 31 December 2014 in accordance with Hong Kong Financial Reporting Standards and as to whether they have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other matter

The consolidated financial statements of the Group for the year ended 30 September 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 30 December 2013.

CORPORATE GOVERNANCE

Code On Corporate Governance Practices

The Company has complied with the code provisions as set out in the "Code On Corporate Governance Practices" contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the fifteen months ended 31 December 2014, except for the following deviations:

Code Provision A.2.1

Under Code Provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

During the reporting period, Ms. Wong King Ching, Helen holds both positions of the Chairman and the Chief Executive Officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Ms. Wong to hold both positions as it helps to maintain the continuity of the Company's policies and the stability of the Company's operations.

Code Provision A.4.1 and A.4.2

Under Code Provision A.4.1, the Non-executive Directors should be appointed for a specific term, subject to re-election.

The Independent Non-executive Directors of the Company are not appointed for specific terms. According to the Company's Bye-Law 111(A), one third of the Directors shall retire from the office by rotation at each Annual General Meeting and their appointments will be reviewed when they are due for re-election. In the opinion of the Board, this meets the same objectives and is no less exacting than those in the Code.

Under Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's Bye-Law 111(A) states that the Chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire. In the opinion of the Board, the continuity of leadership role of the Chairman is important for the stability of the Company and is considered beneficial to the growth of the Company. The Board is of the view that the Chairman should not be subject to retirement by rotation at the present time.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirms that all directors of the Company have complied with required standard set out in the Model Code throughout the period.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

All information required by paragraph 45 inclusive of Appendix 16 of the Listing Rules will be submitted to the Stock Exchange for publication on its website in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2015 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 27 April 2015.

By Order of the Board of
Sunway International Holdings Limited
Wong King Ching, Helen
Chairman

Hong Kong, 24 April 2015

As at the date of this announcement, the Board comprises five Executive Directors, namely Ms. Wong King Ching, Helen (Chairman), Ms. Wong King Man, Mr. Leung Chi Fai, Mr. Lin Yepan and Mr. Wang Tian and three Independent Non-executive Directors, namely Ms. Fong Yin Cheung, Mr. Hung Yat Ming and Mr. So Day Wing.