China Resources and Transportation Group Ltd
中國資源交通集團有限公司

CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED
中國資源交通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 269)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board of directors (the "Board") of China Resources and Transportation Group Limited (the "Company") announces the annual consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2015 together with comparative figures for the last year as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2015

	Notes	**2015** ***HK$'000***	2014 *HK$'000*
Continuing operations:			
Turnover	*4*	**5,016,547**	8,585,715
Cost of sales and other direct operating costs		**(4,816,021)**	(8,402,754)
Gross profit		**200,526**	182,961
Loss on change in fair value of investment properties		**(3,562)**	(3,814)
Gain/(loss) on change in fair value less costs to sell of biological assets		**3,088**	(5,465)
(Loss)/gain on settling debt component of old convertible bonds by issuing new convertible bonds		**(105,437)**	54,261
Change in fair value of derivative financial instrument		**142,083**	29,767
Impairment loss on forest concession rights		**(112,567)**	(55,300)
Other income and other gains or losses	*6*	**(6,378)**	(2,676)
Selling and administrative expenses		**(256,919)**	(263,371)
Finance costs	*7*	**(1,748,754)**	(648,567)
Share of results of associates		**348**	(1,837)
Loss before income tax credit	*8*	**(1,887,572)**	(714,041)
Income tax credit	*9*	**2,325**	522

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Loss for the year from continuing operations		**(1,885,247)**	(713,519)
Discontinued operations:			
Profit for the year from discontinued operations	*10*	**–**	81,865
Loss for the year		**(1,885,247)**	(631,654)
Loss attributable to:			
Owners of the Company			
Loss for the year from continuing operations		**(1,765,900)**	(672,629)
Profit for the year from discontinued operations		**–**	82,144
Loss for the year attributable to owners of the Company		**(1,765,900)**	(590,485)
Non-controlling interests			
Loss for the year from continuing operations		**(119,347)**	(40,890)
Loss for the year from discontinued operations		**–**	(279)
Loss for the year attributable to non-controlling interests		**(119,347)**	(41,169)
		(1,885,247)	(631,654)
		HK cents	*HK cents*
Loss per share attributable to owners of the Company			
From continuing and discontinued operations	*12*		
– Basic and diluted		**(6.52)**	(2.19)
From continuing operations	*12*		
– Basic and diluted		**(6.52)**	(2.50)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(1,885,247)**	(631,654)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
– Gain on revaluation of property occupied by the Group, net of tax	**5,175**	3,048
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations	**43,362**	53,753
– Share of other comprehensive income of associates	**(93)**	(393)
– Release of translation reserve upon disposal of subsidiaries	**–**	(84,435)
– Net movements in fair value reserve for available-for-sale investments	**(55,000)**	35,728
	(11,731)	4,653
Other comprehensive income for the year, net of tax	**(6,556)**	7,701
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(1,891,803)**	(623,953)
Total comprehensive income attributable to:		
– Owners of the Company	**(1,773,885)**	(611,951)
– Non-controlling interests	**(117,918)**	(12,002)
	(1,891,803)	(623,953)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Investment properties		**155,671**	38,700
Property, plant and equipment		**1,420,561**	1,414,045
Prepaid lease payments		**44,451**	28,894
Goodwill and other intangible assets		**400,782**	–
Biological assets		**79,710**	74,984
Forest concession rights		**138,417**	278,570
Concession intangible asset		**19,001,931**	19,543,099
Long-term deposits and prepayments		**661,127**	640,103
Interests in associates		**480,907**	449,064
Available-for-sale investments		**405,229**	459,687
TOTAL NON-CURRENT ASSETS		**22,788,786**	22,927,146
CURRENT ASSETS			
Inventories		**288,858**	123,329
Trade and other receivables	*13*	**351,567**	198,102
Prepaid lease payments		**1,042**	665
Amounts due from non-controlling shareholders of subsidiaries		**28,705**	16,359
Amounts due from associates		**116,156**	185,216
Available-for-sale investments		**63,227**	62,919
Pledged deposits and restricted cash		**134,040**	–
Cash and cash equivalents		**298,458**	1,702,510
TOTAL CURRENT ASSETS		**1,282,053**	2,289,100
TOTAL ASSETS		**24,070,839**	25,216,246

	Notes	**2015** **HK$'000**	2014 *HK$'000*
CURRENT LIABILITIES			
Trade and other payables	*14*	**2,183,225**	2,876,336
Promissory note		**302,345**	297,876
Deferred government grants		**2,548**	5,071
Borrowings		**1,865,877**	2,635,516
Convertible bonds		**2,630,099**	731,233
TOTAL CURRENT LIABILITIES		**6,984,094**	6,546,032
NET CURRENT LIABILITIES		**(5,702,041)**	(4,256,932)
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,086,745**	18,670,214
NON-CURRENT LIABILITIES			
Borrowings		**11,734,712**	9,764,867
Deferred tax liabilities		**58,119**	9,696
Convertible bonds		**2,160,444**	3,774,231
Acreage fees payable		**10,454**	10,545
TOTAL NON-CURRENT LIABILITIES		**13,963,729**	13,559,339
TOTAL LIABILITIES		**20,947,823**	20,105,371
NET ASSETS		**3,123,016**	5,110,875
CAPITAL AND RESERVES			
Share capital		**270,096**	271,748
Reserves		**2,198,371**	4,016,433
Equity attributable to owners of the Company		**2,468,467**	4,288,181
Non-controlling interests		**654,549**	822,694
TOTAL EQUITY		**3,123,016**	5,110,875

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. CORPORATE INFORMATION

China Resources and Transportation Group Limited (the "Company") is an exempted Company incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is the office of Sterling Trust (Cayman) Limited, Caledonian House, 69 Dr. Roy's Drive, P.O. Box 1043, Grand Cayman, KY1-1102, Cayman Islands. Its principal place of business is located at Room 1801-07, 18/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively refer to as the "Group") are expressway operations, trading and storage of petroleum and related products, compressed natural gas ("CNG") gas stations operations and timber operations.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 April 2014

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 36	Recoverable Amount Disclosures
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) 21	Levies

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

Detailed impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011), Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating units whose recoverable amount is based on fair value less costs of disposal.

Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these financial statements as the Group has not novated any of its derivatives.

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Disclosure Initiative[3]
HKFRSs (Amendments)	Annual Improvements 2010-2012 cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 cycle[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2017
5 Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of 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 each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

(c) New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 March 2016).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The statement of financial position of the Company will be presented in the notes rather than a separate statement and the related notes generally need not be included, while the statutory disclosures will be simplified.

3. PRINCIPAL ACCOUNTING POLICIES

A summary of significant accounting policies adopted by the Group is set out below.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under historical cost basis except for investment properties, buildings included in property, plant and equipment, derivative financial instrument, available-for-sale investments with quoted market price, and biological assets, which are measured at revalued amounts, fair values or fair value less costs to sell as explained in the accounting policies set out in the consolidated financial statements.

During the year, the Group suffered a loss of HK$1,885,247,000 and had a net operating cash outflow of HK$431,181,000 and at the end of reporting period, the Group's current liabilities exceeded its current assets by approximately HK$5,702,041,000. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the following factors when preparing the consolidated financial statements of the Group for the year ended 31 March 2015:

i) Since the opening of the Group's 265 km long heavy-haul toll expressway designed for coal transportation in the Inner Mongolia Province ("Zhunxing Expressway") on 21 November 2013, daily toll income has been providing a major source of operating cash flows to the Group. The average daily toll income has been steady at approximately HK$2.5 million during the year (2014: HK$2.5 million) while average daily traffic volume have been increasing steadily, from 4,000 vehicles during the year ended 31 March 2014 to 5,000 vehicles during the year ended 31 March 2015. Zhunxing Expressway is still at its initial stage of operations and the Group is pushing forward various methods to promote the use of Zhunxing Expressway like the commencement of operations of auxiliary facilities. The directors of the Company expect that revenue and cash flows from the operations of Zhunxing Expressway will have a steady growth in the coming years;

ii) the Group has substantially expanded its petroleum and related products business during the year with several business acquisitions. The directors of the Company expect that income from this business segment (including revenue from trading of petroleum and related products, petroleum storage and ancillary service income and CNG gas station service income) will contribute as another major source of operating cash flows to the Group in the coming years;

iii) on 28 September 2014, Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited ("Zhunxing"), one of the Group's subsidiaries, entered into a loan agreement with an authorised financial institution in the People's Republic of China (the "PRC") for obtaining a new loan of Renminbi ("RMB") 1,500 million, which is repayable within three years upon drawdown. On 3 March 2015, Zhunxing entered into another loan agreement with another financial institution in the PRC for obtaining a new loan of RMB1,000 million, which is repayable within three years upon drawdown. As of 31 March 2015, the Group still has not utilised any of such loan facilities. Besides, the Group is also in active negotiation with financial institutions to obtain other new borrowings, and the aggregate amount of unutilised available banking facilities of the Group as at 31 March 2015 amounted to HK$3,571,728,000;

iv) on 10 February 2015, the Company issued convertible bonds of HK$3,192 million (i.e. CB2016B, CB2016C and CB2018 as defined in Note 38(a) to these financial statements) (collectively referred to as the "New CBs") which set off against part of CB2015, whole amount of CB2016A and whole amount of CB2017, as defined in Note 38(a) to these financial statements (collectively referred to as the "Old CBs"). The New CBs have a conversion price of HK$0.20 which is lower than that of the Old CBs, ranging from HK$0.32 to HK$0.40. Following the recent movements of the market price of the Company's ordinary shares, the directors of the Company believe that the issue of the New CBs can, a) increase the likelihood that the relevant subscribers will convert all or part of the New CBs and b) if not previously converted, the repayment schedules of the New CBs may be more in alignment and better matched with the cash flow position and repayment capabilities of the Company; and

v) the Group is actively considering raising new capital by obtaining new bank borrowings and carrying out fund raising activities including but not limited to rights issue, open offer, placing of new shares and issuance of other convertible bonds.

The directors have prepared a cash flow forecast of the Group for the eighteen months period ending 30 September 2016. Based on the forecast which has taken into account of the above measures, the directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next eighteen months from 31 March 2015. Accordingly, the financial statements have been prepared on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in these financial statements.

4. TURNOVER

Turnover represents the revenue from the principal activities of the Group, net of any sales taxes. The amounts of each significant category of revenue recognised in turnover during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Toll income from toll road operations	**905,788**	307,665
Construction revenue in respect of service concession arrangement	**–**	8,148,639
Trading of petroleum and related products	**4,091,582**	117,089
CNG gas station service income	**2,106**	–
Income from timber logging and trading	**10,308**	5,702
Sales of seedlings	**4,540**	3,255
Sales of plant-oil	**2,223**	3,365
	5,016,547	8,585,715
Discontinued operations:		
Sales of completed properties held for sale	**–**	83,309

5. SEGMENT INFORMATION

The Group has four reportable segments. The segments are managed separately as each business offers different products or provides different services and requires different business strategies.

During the year, consistent with the way how the Group's chief operating decision makers evaluate financial information, assess performance and allocate resources, the Group combined its timber logging and trading segment and other timber operation segment into one single segment, namely the timber operations segment. Accordingly, the comparative figures have been represented.

The property development and asset management segment was disposed of on 16 September 2013 and was presented as discontinued operations during the year ended 31 March 2014.

The following summary describes the operations in each of the Group's reportable segments:

Continuing operations:

– Expressway operations – the operations, management, maintenance and auxiliary facility investment of Zhunxing Expressway;

– Petroleum and related products business – trading of petroleum and related products, provision of petroleum storage and ancillary services, and operations of CNG gas stations; and

– Timber operations – sales of timber logs from forest concession, tree plantation area and outside suppliers, sales of seedlings and refined plant oil.

Discontinued operations:

– Property development and asset management

There was no inter-segment sale or transfer during the year (2014: HK$Nil). Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision makers for assessment of segment performance.

The measure used for reportable segment profit or loss is EBIT (i.e. earnings before interest and tax).

Segment assets exclude investment property in Australia, interest in associates – Yichang Group (as defined in Note 26 to the consolidated financial statements), available-for-sale investments, amounts due from non-controlling shareholders of subsidiaries, amounts due from associates, pledged deposits and restricted cash, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude promissory note, convertible bonds, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

(a) Reportable Segment

For the year ended 31 March 2015

	Continuing operations			Discontinued operations	
	Expressway operations	Petroleum and related products business	Timber operations	Property development and asset management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
Revenue from external customers	**905,788**	**4,093,688**	**17,071**	**–**	**5,016,547**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**
Reportable segment revenue	**905,788**	**4,093,688**	**17,071**	**–**	**5,016,547**
Reportable segment profit/(loss)	**61,080**	**33,413**	**(194,213)**	**–**	**(99,720)**
Reportable segment assets	**20,909,238**	**1,139,735**	**436,944**	**–**	**22,485,917**
Reportable segment liabilities	**(14,495,354)**	**(1,093,346)**	**(41,714)**	**–**	**(15,630,414)**
Other segment information					
Additions of property, plant and equipment	**1,859**	**147,699**	**882**	**–**	**150,440**
Unallocated additions of property, plant and equipment					**542**
Total additions of property, plant and equipment					**150,982**
Additions of prepaid lease payments	**–**	**16,554**	**–**	**–**	**16,554**
Additions of goodwill and other intangible assets	**–**	**403,650**	**–**	**–**	**403,650**
Additions of biological assets	**–**	**–**	**2,448**	**–**	**2,448**
Depreciation of property, plant and equipment	**98,131**	**7,881**	**13,150**	**–**	**119,162**
Unallocated depreciation of property, plant and equipment					**2,319**
Total depreciation of property, plant and equipment					**121,481**

	Continuing operations			Discontinued operations	
	Expressway operations *HK$'000*	Petroleum and related products business *HK$'000*	Timber operations *HK$'000*	Property development and asset management *HK$'000*	Total *HK$'000*
Amortisation of prepaid lease payments	**–**	**71**	**580**	**–**	**651**
Unallocated amortisation of prepaid lease payments					**81**
Total amortisation of prepaid lease payments					**732**
Amortisation of customer relationships	**–**	**5,193**	**–**	**–**	**5,193**
Amortisation of forest concession rights	**–**	**–**	**27,586**	**–**	**27,586**
Amortisation of concession intangible assets	**617,143**	**–**	**–**	**–**	**617,143**
Impairment loss of forest concession rights	**–**	**–**	**112,567**	**–**	**112,567**
Impairment loss of property, plant and equipment	**–**	**–**	**32,303**	**–**	**32,303**
Interest income	**6,286**	**285**	**6,029**	**–**	**12,600**
Unallocated interest income					**785**
Total interest income					**13,385**

For the year ended 31 March 2014

	Continuing operations			Discontinued operations	
	Expressway operations	Petroleum and related products business	Timber operations	Property development and asset management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE					
Revenue from external customers	8,456,304	117,089	12,322	83,309	8,669,024
Inter-segment revenue	–	–	–	–	–
Reportable segment revenue	8,456,304	117,089	12,322	83,309	8,669,024
Reportable segment profit/(loss)	60,563	(19)	(108,670)	81,865	33,739
Reportable segment assets	21,573,010	77,749	616,240	–	22,266,999
Reportable segment liabilities	(15,099,007)	(285)	(81,078)	–	(15,180,370)
Other segment information					
Additions of property, plant and equipment	1,319,829	2,829	2,677	–	1,325,335
Unallocated additions of property, plant and equipment					808
Total additions of property, plant and equipment					1,326,143
Additions of biological assets	–	–	6,073	–	6,073
Addition of concession intangible assets	9,080,261	–	–	–	9,080,261
Depreciation of property, plant and equipment	36,325	2	15,671	–	51,998
Unallocated depreciation of property, plant and equipment					1,213
Total depreciation of property, plant and equipment					53,211

	Continuing operations			Discontinued operations	
	Expressway operations HK$'000	Petroleum and related products business HK$'000	Timber operations HK$'000	Property development and asset management HK$'000	Total HK$'000
Amortisation of prepaid lease payments	–	–	583	–	583
Unallocated amortisation of prepaid lease payments					81
Total amortisation of prepaid lease payments					664
Gain on loss of control in subsidiaries	–	–	–	82,667	82,667
Amortisation of forest concession rights	–	–	27,586	–	27,586
Amortisation of concession intangible assets	205,714	–	–	–	205,714
Impairment loss of forest concession rights	–	–	55,300	–	55,300
Interest income	5,162	222	1,959	–	7,343
Unallocated interest income					848
Total interest income					8,191

(b) Reconciliation of reportable segment results, assets and liabilities

	2015	2014
	HK$'000	*HK$'000*
		(restated*)
Reportable segment profit/(loss) before interest and income tax expense		
– from continuing operations	**(99,720)**	(48,126)
– from discontinued operations	**–**	81,865
Loss on change in fair value of investment properties	**(5,199)**	(3,814)
(Loss)/gain on settling debt component of old convertible bonds by issuing new convertible bonds	**(105,437)**	54,261
Change in fair value of derivative financial instrument	**142,083**	29,767
Other income and other gains or losses	**1,487**	1,967
Finance costs	**(1,748,754)**	(648,567)
Share of results of associates	**(295)**	(1,837)
Unallocated corporate expenses	**(71,737)**	(97,692)
Consolidated loss before income tax credit	**(1,887,572)**	(632,176)
Assets		
Reportable segment assets	**22,485,917**	22,266,999
Investment properties	**31,400**	38,700
Interests in associates	**448,665**	449,064
Cash and cash equivalents	**298,458**	1,702,510
Pledged deposits and restricted cash	**134,040**	–
Available-for-sale investments	**468,456**	522,606
Amounts due from non-controlling shareholders of subsidiaries	**28,705**	16,359
Amounts due from associates	**116,156**	185,216
Unallocated corporate assets	**59,042**	34,792
Consolidated total assets	**24,070,839**	25,216,246
Liabilities		
Reportable segment liabilities	**15,630,414**	15,180,370
Deferred tax liabilities	**58,119**	9,696
Promissory note	**302,345**	297,876
Convertible bonds	**4,790,543**	4,505,464
Unallocated corporate liabilities	**166,402**	111,965
Consolidated total liabilities	**20,947,823**	20,105,371

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

(c) Geographical information

The Group operates in two principal geographical areas – the PRC and Guyana.

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

	Revenue from external customers		**Specified non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**5,006,239**	8,663,322	**22,172,372**	22,068,659
Hong Kong	**–**	–	**33,556**	32,761
Australia	**–**	–	**31,400**	38,700
Guyana	**10,308**	5,702	**146,229**	327,339
	5,016,547	8,669,024	**22,383,557**	22,467,459

(d) Information about major customers

The Group's customer base is diversified. Individual external customers accounting for 10% or more of the Group's revenue for the years ended 31 March 2015 and 2014 are as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**1,721,446**	–
Customer B	**859,118**	–
	2,580,564	–

For the above presentation purpose, sales to entities which are known to the Group to be under common control by the same ultimate parent company are grouped as a single customer. All of the revenue disclosed above is derived from the Group's petroleum and related products business segment in the PRC.

During the year ended 31 March 2014, revenue of approximately HK$8,148,639,000 was derived from the construction of the toll expressway under a service concession arrangement in the expressway operations segment, which amounted to 90% or more of the total revenue. Accordingly, none of the customers have transactions exceeded 10% of the Group's revenues in any segments during the year ended 31 March 2014.

6. OTHER INCOME AND OTHER GAINS OR LOSSES

Other income and other gains or losses comprises:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Interest income	**13,385**	8,191
Dividend income	**1,915**	–
Exchange gain/(loss), net	**47**	(15,259)
Government grants	**2,538**	2,539
Gain on disposals of property, plant and equipment and prepaid lease payments, net	**–**	510
Impairment loss on property, plant and equipment	**(32,303)**	–
Rental income	**4,104**	1,109
Others	**3,936**	234
	(6,378)	(2,676)
Discontinued operations:		
Interest income	**–**	83
Management fee income	**–**	175
Others	**–**	11
	–	269

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Interest and finance costs on bank and other borrowings:		
– wholly repayable within five years	**291,265**	702,857
– not wholly repayable within five years	**679,080**	339,819
Interest expenses on convertible bonds	**719,582**	480,775
Interest expenses on promissory note	**4,469**	2,380
Default interest on promissory note	**54,358**	54,359
Total finance costs	**1,748,754**	1,580,190
Less: Amount capitalised in concession intangible assets *(Note i)*	**–**	(931,623)
	1,748,754	648,567
Discontinued operations:		
Interest and finance costs on bank and other borrowings:		
– wholly repayable within five years	**–**	4,609
Default interest on promissory note	**–**	2,038
Total finance costs	**–**	6,647
Less: Amount capitalised in properties under development for sale and other properties under development *(Note i)*	**–**	(6,647)
	–	–

Note:

(i) Borrowing costs capitalised during the year arose on specific borrowings to expenditure on qualifying assets.

8. LOSS BEFORE INCOME TAX CREDIT

Loss before income tax credit is stated after charging:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Auditor's remuneration		
– Audit services	**2,625**	3,108
– Non-audit services	**280**	242
Depreciation of property, plant and equipment *(Note i)*	**121,481**	53,039
Amortisation of prepaid lease payments *(Note ii)*	**732**	664
Amortisation of customer relationships	**5,193**	–
Amortisation of forest concession rights included in selling and administrative expenses	**27,586**	27,586
Amortisation of concession intangible assets included in cost of sales	**617,143**	205,714
Operating lease payments recognised as expenses	**17,107**	14,706
Cost of inventories sold	**3,996,710**	123,774
Impairment loss of trade and other receivables	**9,221**	3,793
Staff costs (excluding directors' remuneration):		
– Salaries and allowances *(Note iii)*	**83,501**	58,738
– Defined contributions pension costs	**6,112**	3,559
– Equity-settled share-based payment expense	**–**	31,370
Discontinued operations:		
Depreciation of property, plant and equipment *(Note i)*	**–**	172
Staff costs (excluding directors' remuneration)	**–**	1,300

Note :

(i) An analysis of the Group's depreciation of property, plant and equipment is as follows:

	2015	2014
	HK$'000	*HK$'000*
Amounts included in cost of sales	**92,190**	27,881
Amounts included in selling and administrative expenses	**29,291**	25,330
	121,481	53,211

(ii) An analysis of the Group's amortisation of prepaid lease payments is as follows:

	2015	2014
	HK$'000	*HK$'000*
Amounts included in biological assets	**580**	583
Amounts included in selling and administrative expenses	**152**	81
	732	664

(iii) An analysis of the Group's salaries and allowances is as follows:

	2015	2014
	HK$'000	*HK$'000*
Amounts included in cost of sales	**37,161**	7,058
Amounts included in selling and administrative expenses	**46,340**	51,680
	83,501	58,738

9. INCOME TAX (CREDIT)/EXPENSE

The income tax (credit)/expense comprises:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
PRC enterprise income tax		
– Current tax	**485**	20
Deferred tax credit	**(2,810)**	(542)
	(2,325)	(522)
Discontinued operations:		
PRC enterprise income tax		
– Current tax	**–**	3,423
PRC land appreciation tax		
– Current tax	**–**	4,070
	–	7,493
Total	**(2,325)**	6,971

The income tax expense for the year can be reconciled to the loss per consolidated income statement as follows:

	2015	2014
	HK$'000	*HK$'000*
(Loss)/profit before income tax (credit)/expense:		
– from continuing operations	**(1,887,572)**	(714,041)
– from discontinued operations	**–**	6,691
	(1,887,572)	(707,350)
Tax calculated at 25% (2014: 16.5%)	**(471,893)**	(116,713)
Net effect of non-taxable/deductible items	**393,426**	138,880
Net effect of tax losses and temporary differences not recognised	**656**	1,696
Effect of different tax rates of subsidiaries operating in other jurisdictions	**75,486**	(16,892)
Income tax (credit)/expense	**(2,325)**	6,971

The PRC State Council released the Implementation Rules to the Corporate Income Tax Law on 6 December 2007 (the "Implementation Rules"). According to the Implementation Rules, an entity engaged in forestry business is entitled to full exemption from PRC enterprise income tax commencing from 1 January 2008. 樹人木業(大埔)有限公司 and 樹人苗木組培(大埔)有限公司, subsidiaries of the Company, are qualified as forestry operation enterprise by the local tax authorities and so they are fully exempted from PRC enterprise income tax.

Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited ("Zhunxing"), a subsidiary of the Company, is entitled to a three-year exemption from PRC enterprise income tax followed by a 50% reduction in PRC enterprise income tax for subsequent three years (the "Tax Holiday"). As Zhunxing has started operations during the year ended 31 March 2014, the Tax Holiday has been started in 2014. Consequently, Zhunxing is subject to a 0% PRC enterprise income tax rate from 2014 to 2016 and a 12.5% PRC enterprise income tax rate from 2017 to 2019.

For the year ended 31 March 2015, the statutory PRC enterprise income tax rate applicable to all other subsidiaries established and operating in the PRC is 25% (2014: 25%).

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

According to the PRC Corporate Income Tax Law and its implementation rules, dividends receivable by non-PRC resident corporate investors from PRC-resident enterprises are subject to withholding income tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Since the Group can control the quantum and timing of distribution of profits of the Group's subsidiaries in the PRC, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

The statutory tax rate for Hong Kong profits tax is 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for the Hong Kong profits tax has been made as the Group did not earn any income subject to Hong Kong profits tax during the years ended 31 March 2015 and 2014.

The subsidiaries in Guyana are liable to Guyana income tax at a rate of 45% (2014: 45%). No provision for Guyana income tax has been made as the subsidiaries in Guyana sustained losses for taxation purposes for the years ended 31 March 2015 and 2014.

The subsidiaries in Australia are liable to Australian income tax at a rate of 30% (2014: 30%). No provision for Australian income tax has been made as the subsidiaries in Australia sustained losses for taxation purposes for the years ended 31 March 2015 and 2014.

10. DISCONTINUED OPERATIONS

On 15 September 2012, the Company entered into a share transfer agreement (the "Share Transfer Agreement") with an independent third party (the "Purchaser"), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 55% equity interest in the property development and asset management business of the Group at a consideration of HK$550 million. The share transfer has been completed on 16 September 2013.

The property development and asset management business was classified as discontinued operations and the related results for the year ended 31 March 2014 were as follows:

		2014
	Notes	*HK$'000*
Turnover	*4*	83,309
Cost of sales		(69,509)
Gross profit		13,800
Other income and other gains or losses	*6*	269
Selling and administrative expenses		(7,378)
Profit before income tax expense		6,691
Income tax expense	*9*	(7,493)
Gain on loss of control of subsidiaries		82,667
Profit for the year from discontinued operations		81,865

The net cash flows of the discontinued operations for the year ended 31 March 2014 were as follows:

	2014
	HK$'000
Net cash inflows from operating activities	18,665
Net cash outflows from investing activities	(14,567)
Net cash outflows from financing activities	(40,228)
Net cash flows incurred by the discontinued operations	(36,130)

Earnings per share from discontinued operations:

	2014
	HK cents
– Basic and diluted	0.30

The calculations of basic and diluted earnings per share from discontinued operations are based on below:

	2014
	HK$'000
Profit for the purposes of basic and diluted earnings per share from discontinued operations	82,144
Number of shares:	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	26,952,255

For the year ended 31 March 2014, the computation of diluted earnings per share from discontinued operations does not assume the exercise of share options and warrants and the conversion of those outstanding convertible bonds which had an anti-dilution effect on the earnings per share calculation.

11. DIVIDEND

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2015 (2014: HK$Nil).

12. 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:

Loss attributable to owners of the Company:

	2015	2014
	HK$'000	*HK$'000*
For continuing and discontinued operations:		
Loss for the purposes of basic and diluted loss per share	**(1,765,900)**	(590,485)
For continuing operations:		
Loss for the purposes of basic and diluted loss per share	**(1,765,900)**	(672,629)

Number of shares:	***'000***	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**27,068,649**	26,952,255

For the years ended 31 March 2015 and 2014, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds as they had an anti-dilutive effect on the loss per share calculation.

The computation of diluted earnings per share for the years ended 31 March 2015 and 2014 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares.

13. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**153,049**	86,736
Less: Provision for impairment loss	**(1,859)**	(1,288)
Trade receivables, net	**151,190**	85,448
Other receivables	**145,167**	138,611
Less: Provision for impairment loss	**(11,668)**	(40,222)
Other receivables, net	**133,499**	98,389
Deposits paid	**4,917**	3,201
Prepayments	**61,961**	11,064
	351,567	198,102

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 two months, extending up to over three months or more for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The below table reconciles the impairment loss of trade and other debtors for the years:

	2015	2014
	HK$'000	*HK$'000*
At 1 April	**41,510**	37,717
Add: Impairment loss recognised *(Note 8)*	**9,221**	3,793
Less: Written off	**(37,251)**	-
Exchange differences	**47**	–
At 31 March	**13,527**	41,510

Details of the ageing analysis of trade receivables of the Group (net of impairment losses) are as follows:

	2015	2014
	HK$'000	*HK$'000*
Outstanding balances aged:		
0 to 30 days	**98,612**	80,005
31 to 60 days	**40,637**	11
61 to 180 days	**6,385**	3,057
Over 180 days	**5,556**	2,375
	151,190	85,448

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**139,249**	80,016
30 to 90 days past due	**6,385**	3,057
Over 90 days	**5,556**	2,375
	151,190	85,448

Trade receivables that were neither past due nor impaired related to a number of independent customers for whom there was no recent history of default.

14. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**1,525**	69
Other payables and accruals *(Note)*	**2,117,799**	2,821,879
Deposit received from customers	**63,901**	54,388
	2,183,225	2,876,336

Note:

As at 31 March 2015, other payables mainly comprised construction costs payable of HK$1,647,978,000 (2014: HK$2,287,336,000) and retention and guarantee deposit of HK$227,290,000 (2014: HK$298,481,000).

Accruals also included accumulated default interest on promissory note amounted to HK$154,496,000 (2014: HK$100,138,000).

The carrying amounts of other payables and accruals at the end of reporting period approximate their fair values.

Details of the ageing analysis of trade payables of the Group are as follows:

	2015	2014
	HK$'000	*HK$'000*
Outstanding balances aged:		
31 to 60 days	**544**	–
61 to 180 days	**906**	–
Over 180 days	**75**	69
	1,525	69

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 MARCH 2015

For the year ended 31 March 2015, the Group was principally engaged in expressway operations, trading and storage of petroleum and related products, compressed natural gas ("CNG") gas stations operations and timber operations. The Group's turnover was mainly derived from expressway operations and the trading and storage of petroleum and related products. During the year, the Group prudently expanded its petroleum and related products business, which includes the trading and storage of petroleum and related products and operation of CNG gas stations.

Business Review

Operation of Zhunxing Expressway

For the year ended 31 March 2015, the Company's turnover is partly contributed by toll income from the 265-kilometre heavy-haul toll expressway ("Zhunxing Expressway") operated by Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited (內蒙古准興重載高速公路有限責任公司) ("Zhunxing") which is indirectly held as to 86.87% by the Company.

For the year ended 31 March 2015, Zhunxing Expressway recorded an accumulated toll income of approximately RMB719 million (approximately HK$906 million), i.e. an average daily toll income of approximately RMB2.0 million (approximately HK$2.5 million) and an average daily traffic volume of approximately 5,000 vehicles (for the year ended 31 March 2014, was approximately RMB2.1 million (approximately HK$2.5 million) and the average daily traffic volume was approximately 4,000 vehicles). Upon traffic opening and commencement of toll collection of Zhunxing Expressway on 21 November 2013, the Group actively introduced measures and promotions to build client base, resulting in steady rise of the average daily traffic volume of Zhunxing Expressway. Yet, the growth of both traffic volume and toll income of Zhunxing Expressway was affected by the following factors during the year:

(1) The remaining sluggish coal market in China and the drop of price and demand has lessened the number and loading of coal transport vehicles;

(2) The interconnection with Beijing-Tibet Highway ("G6") and Er-Guang Expressway ("G55") has not yet been implemented;

(3) The opening of part of the Beijing–Lhasa Expressway ("G109") during the year has diverted some coal transport vehicles travelling to Hebei to run on G109, instead of using Zhunxing Expressway; and

(4) The auxiliary facilities of some service areas and major petrol and gas stations were not in operation, which caused inconvenience to some users of Zhunxing Expressway.

Petroleum and Related Products Business

In March 2014, the Group commenced its operation on energy and chemical related business through its wholly owned subsidiary, Shenzhenshi Qianhai Zitong Energy Company Limited (深圳市前海資通能源有限公司) ("Zitong Energy"). Zitong Energy is the Group's intermediary holding company focusing on the overall development of the petroleum and related products business sector. By the efforts made over last year, the Group has preliminarily formed three ancillary business sectors, namely (1) the traditional energy business sector based on refined petroleum trading, (2) the clean energy business sector based on contemporary coal chemicals, and (3) the new energy business sector based on liquefied natural gas ("LNG"), CNG and charging pile for vehicles.

(1) Refined Petroleum Trading business

Zitong Energy has achieved satisfactory progress on building of business platform for refined petroleum trading as well as expansion of business channels and market shares. During the year, Zitong Energy completed the merger, acquisition and reorganization in respect of 70% equity interest in Zhanjiang Dapeng Petrochemical Company Limited (湛江大鵬石化有限公司) ("Dapeng"); 65% equity interest in Guangdong Jinjing Energy Company Limited (廣東金晶能源股份有限公司) ("Jinjing") and 30% equity interest in Huizhoushi Dayawan Zhongyou Development Company Ltd. (惠州市大亞灣中油實業發展有限公司). So far, Zitong Energy has become the supplier of 14 provincial sales companies of the products of PetroChina Company Limited and Sinopec Corp. Its trading channels and market shares have been expanding rapidly and it has achieved a preliminarily annual sales capability of 1 million to 1.5 million tons of refined petroleum.

During the year, the international crude oil market has been particularly challenging due to significant accumulated decrease in the price of the international crude petroleum and weakened demand of the domestic refined petroleum market. Nevertheless, Zitong Energy stood up against market challenges and rapidly expanded its channels for the wholesale of refined petroleum, thus achieved rapid business growth. In the year, Zitong Energy, Dapeng and Jinjing recorded sales of petroleum products of approximately 636,000 tons in total, whereas revenue from principal business and the sales gross margin were approximately HK$4,085 million and HK$101 million respectively (2014: the sales of petroleum products was approximately 15,000 tons, revenue from principal business was approximately HK$117 million and the sales gross margin was approximately HK$0.4 million).

(2) Clean Energy Business:

In December 2014, Shenzhenshi Qianhai Zitong Clean Energy Company Limited (深圳市前海資通清潔能源有限公司) ("Zitong Clean Energy") was established by Zitong Energy and Shenzhenshi Qianhai Zhongshun Petrochemical Trading Company Ltd. (深圳市前海中順石化貿易有限公司). Through Zitong Energy, the Group holds 85% equity interest in Zitong Clean Energy. Zitong Clean Energy is principally engaged in the cooperation project with CNOOC Oil & Petrochemicals Company Limited (中海石油煉化有限責任公司) ("CNOOC Petrochemicals") in relation to the partial oxidation ("POX") coal-to-hydrogen plant under the Huizhou petrochemicals phase II project (the "Huizhou Petrochemicals II POX Coal-To-Hydrogen Project"). By leveraging on the advanced domestic and international technologies, such project utilizes coal and oxygen as raw materials to produce 150,000 tons per year of hydrogen and 117,300 tons per year of oxo-synthesis gas for use in oil refinery and ethylene projects. Currently, Zitong Clean Energy has built a team of technical experts in the coal-to-hydrogen field and has signed a letter of intent with CNOOC Petrochemicals in respect of the cooperation in January 2015.

(3) New Energy Business:

In October 2014, Zitong Energy acquired the entire equity interests in Sichuan Leshan Zhongshun Oil and Gas Company Limited (四川樂山中順油氣有限公司) ("Leshan Zhongshun") which owned two petrol and gas stations located at Sichuan of the PRC. The acquisition represented due commencement of the natural gas dispensing business of the Group for business vehicles. In January 2015, one of the gas dispensing stations of Leshan Zhongshun started operation and realized sales of HK$2.1 million for the year ended 31 March 2015. It is expected that the operation of the second natural gas dispensing station will be inaugurated in the second half of 2015.

Timber Operations

With an aim to focus its resources and manpower on expressway operations and petroleum and related products business of the Group, the Company will continue to look for opportunity to dispose its forestry related businesses.

FINANCIAL REVIEW

For the year ended 31 March 2015, the Group recorded a turnover of approximately HK$5,016.55 million (2014: HK$8,585.72 million) which is recognized under three reportable segments under the continuing operations of the Group, namely expressway operations, petroleum and related products business and timber operations, contributing approximately HK$905.79 million (18.06%), HK$4,093.69 million (81.60%) and HK$17.07 million (0.34%) (2014: HK$8,456.30 million (97.55%), HK$117.09 million (1.35%) and HK$12.32 million (0.14%)) respectively to the Group's consolidated turnover.

Turnovers from the new core businesses, i.e. HK$905.79 million toll income from expressway operations (2014: HK$307.67 million) and HK$4,091.58 million income from trading of petroleum and related products (2014: HK$117.09 million), constituted the main streams of the Group's revenue for the year ended 31 March 2015. However, due to the fact that there were no longer any construction revenue in respect of service concession arrangement being recognized during the year, i.e. HK$Nil (2014: HK$8,148.64 million), as a result of the traffic opening and commencement of toll collection by Zhunxing on 21 November 2013, the overall turnover of the Group declined by 42% as compared to the previous financial year. As the construction revenue in respect of service concession arrangement is non-cash in nature, the Board is of the view that it does not have any impact on the profitability of the Group.

During the year, the Group recorded a 9.6% rise in gross profit amounted to approximately HK$200.53 million (2014: HK$182.96 million) under continuing operations. The overall gross profit margin of the Group was about 4.0% (2014: 2.3%). Cost of sales under continuing operations for the year was approximately HK$4,816.02 million (2014: HK$8,402.75 million) which was primarily driven by the cost of sales of petroleum and related products amounted to HK$3,983.39 million (2014: HK$116.68 million), the amortization of the concession intangible asset of approximately HK$617.14 million (2014: HK$205.71 million) upon the commencement of toll collection of Zhunxing Expressway and the depreciation of fixed assets arising from expressway operations amounted to HK$92.19 million (2014: HK$27.88 million). No construction cost in respect of service concession arrangement was recognized after the construction phase of Zhunxing Expressway (2014: HK$8,026.88 million) and thereby resulting in a 43% reduction in cost of sales during the year.

For the year ended 31 March 2015, the Group recorded an increased positive EBITDA (defined as earnings before interest, tax, depreciation, amortization and non-cash changes in values of assets and liabilities) amounted to approximately HK$740.53 million compared to the EBITDA of approximately HK$159.87 million for the last financial year. The substantial increase in EBITDA was primarily driven by the toll income arising from expressway operations and the revenue from trading of petroleum and related product as discussed above. During the year, positive EBIT (defined as earnings before interest and tax) amounted to HK$61.08 million (2014: HK$60.56 million) and HK$33.41 million (2014: a negative EBIT of HK$0.02 million) were recorded for the expressway operations segment and the petroleum and related products business segment respectively, whereas a negative EBIT of HK$194.21 million (2014: HK$108.67 million) was recorded for timber operations segment. Detailed segment turnover and contribution to loss before tax expense of the Group are shown in Note 5 to the financial statements.

The loss before income tax credit from continuing operations was approximately HK$1,887.57 million (2014: HK$714.04 million) and net loss from continuing and discontinued operations was approximately HK$1,885.25 million (2014: HK$631.65 million) for the year ended 31 March 2015. The substantial increase in net loss was mainly attributable to the significant increase in finance costs arising from bank borrowings and convertible bonds issued by the Company (collectively the "Specific Borrowings") to finance the construction of Zhunxing Expressway. During the construction phase of Zhunxing Expressway, all finance costs arising from these Specific Borrowings were capitalized to the Group's concession intangible asset. Upon the traffic opening and commencement of toll collection of Zhunxing Expressway on 21 November 2013, the Group ceased capitalizing such finance costs and recognized them directly in the Group's consolidated income statement pursuant to HKAS 23, Borrowing Costs. The finance costs of approximately HK$1,748.75 million incurred for the year was entirely charged to the Group's consolidated income statement, whereas for the finance costs of approximately HK$1,580.19 million of the last financial year, HK$648.57 million was charged to the Group's consolidated income statement and HK$931.62 million was capitalized to the Group's concession intangible assets. Besides, the increase in net loss was also driven by the loss of HK$105.44 million (2014: a gain of HK$54.26 million) incurred on settling the debt component of old convertible bonds when new convertible bonds were issued during the year.

The loss attributable to owners of the Company from continuing and discontinued operations for the year was approximately HK$1,765.90 million (2014: HK$590.49 million). The basic and diluted loss per share attributable to owners of the Company from continuing and discontinued operations for the year was HK6.52 cents as compared with HK2.19 cents for the last corresponding year.

For the purpose of estimating the fair value of the Group's biological assets in the PRC and any impairment on the forest concession rights in Guyana as at 31 March 2015, independent valuations were performed by LCH (Asia-Pacific) Surveyors Limited (the "Valuer"), a firm of qualified professional surveyors and international valuation consultants with over 20 years of valuation experience. The Board is satisfied that the Valuer is independent and competent to conduct the valuations. As at 31 March 2015, the Group has recorded a gain on the change in fair value less costs to sell of biological assets amounted to approximately HK$3.09 million (2014: a loss of HK$5.47 million) and impairment losses of HK$112.57 million (2014: HK$55.30 million) and HK$32.30 million (2014: HK$Nil) in respect of forest concession rights and vessels included in property, plant and equipment respectively. Further details on the qualifications of the Valuer, valuation methodology and assumptions, material input used in the valuations and sensitivity analysis in relation the valuation of the biological assets and forest concession rights are set out in Notes 21 and 22 to the financial statements of the 2015 Annual Report.

LIQUIDITY REVIEW

As at 31 March 2015, the Group's net assets amounted to approximately HK$3,123.02 million (2014: HK$5,110.88 million), representing a decrease of 39%. The current assets of the Group decreased about 44% from HK$2,289.10 million to HK$1,282.05 million, primarily contributed by reduced cash and cash equivalents to approximately HK$298.46 million (2014: HK$1,702.51 million) mainly arising from the interest payment of HK$1,459.12 million for bank loans and convertible bonds, new pledged deposits and restricted cash of approximately HK$134.04 million (2014: HK$Nil), reduced amount due from associates to approximately HK$116.16 million (2014: HK$185.22 million), increased inventories to approximately HK$288.86 million (2014: HK$123.33 million) and increased trade and other receivables to approximately HK$351.57 million (2014: HK$198.10 million). The significant increase in inventories and trade and other receivables during the year was primarily due to finished goods of approximately HK$166.78 million, the trade and other receivables amounted to approximately HK$207.54 million and prepayments of approximately HK$47.18 million arising from the petroleum and related products business sector.

During the year, the Group's current liabilities amounted to approximately HK$6,984.09 million (2014: HK$6,546.03 million) were basically contributed by reduced borrowings to approximately HK$1,865.88 million (2014: HK$2,635.52 million), reduced trade and other payables to approximately HK$2,183.23 million (2014: HK$2,876.34 million) primarily due to reduced construction cost payable of HK$1,647.98 million (2014: HK$2,287.34 million), and increased convertible bonds to approximately HK$2,630.10 million (2014: HK$731.23 million). The convertible bonds classified under current liabilities as at 31 March 2015 mainly represented the outstanding HK$1,592 million of convertible bonds maturing on 3 September 2015 and the HK$992 million of convertible bonds maturing on 10 February 2016.

As at 31 March 2015, the Group's outstanding borrowings, mainly dominated in RMB, amounted to approximately HK$13,600.59 million (2014: HK$12,400.38 million), of which about 14% were repayable within one year. Approximately HK$11,153.16 million (2014: HK$8,795.92 million) of the Group's borrowings were charged with floating rates whereas HK$2,447.43 million (2014: HK$3,604.46 million) of the Group's borrowings bore interest at fixed rates. The effective interest rate of the floating-rate borrowings and the fixed-rate borrowings were 6.88% and 8.40% per annum (2014: 6.88% and 8.83% per annum) respectively.

As expressway operation is a capital intensive industry, approximately 92.5% of the Group's outstanding borrowings amounted to RMB9,945.45 million (approximately HK$12,576.32 million), were obtained and drawn down primarily for the construction of Zhunxing Expressway as at 31 March 2015. The syndicated loan facilities of RMB8,895.45 million (approximately HK$11,248.56 million) granted by several PRC banks in December 2012, including short term loans of RMB108.55 million (approximately HK$137.26 million) and long term loans of RMB8,786.90 million (approximately HK$11,111.30 million), were secured by pledged deposits of RMB106 million (approximately HK$134.04 million) and Zhunxing's receivables of toll income. In addition, short term loans of RMB557 million (approximately HK$704.34 million) and long term loans of RMB493 million (approximately HK$623.41 million) were obtained and drawn down by Zhunxing from several authorized financial institutions in the PRC, in which approximately RMB500 million (approximately HK$632.27 million) were secured by certain Zhunxing's investments.

On the other hand, about 7.5% of the Group's outstanding borrowings amounted to RMB810 million (approximately HK$1,024.27 million), all repayable within one year, were obtained and drawn down from several authorized financial institutions in the PRC to finance the petroleum and related products business. Amongst the aforesaid loans, RMB470 million (approximately HK$594.33 million) was secured by Dapeng's certain fixed asset and investment property with the aggregate carrying amount of approximately HK$187.2 million as at 31 March 2015.

Detailed borrowings of the Group are set out in Note 36 to the financial statements of the 2015 Annual Report.

The gearing ratio of the Group, measured as total liabilities to total assets, was 87.0% (2014: 79.7%).

During the year, the Group suffered a loss of HK$1,885.25 million and had a net operating cash outflow of HK$431.18 million and as at 31 March 2015, the Group's current liabilities exceeded its current assets by approximately HK$5,702.04 million. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. However, having considered the measures set out in Note 3(b) to the financial statements and a cash flow forecast of the Group for the 18 months period ending 30 September 2016, the Board is of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next eighteen months from 31 March 2015.

The Group's capital commitments outstanding as at 31 March 2015 dropped 87% to approximately HK$60.23 million (2014: HK$456.27 million), representing the capital expenditure arising from the acquisition of property, plant and equipment under the expressway operations sector during the year. The Group had no further capital commitment on the investment on concession intangible assets under the expressway operation business during the financial year since the construction of Zhunxing Expressway has been completed (2014: HK$314.71 million). All construction costs payable were recognized in the accounts and no further construction contracts were signed or authorized.

The Group's business operations, assets and liabilities are denominated mainly in Hong Kong dollars, Renminbi and US dollars, thus appreciation in Renminbi has resulted in a net exchange gain. Save as aforesaid, the Board considered foreign exchange risk being minimal. The management will review from time to time of the potential foreign exchange exposure and will take appropriate measures to minimise the risk of foreign exchange exposure in the future.

The Group did not use any financial instruments for hedging purposes and did not have foreign currency investments being hedged by foreign currency borrowings and other hedging instruments.

Details of the Group's financial risk management are set out in Note 49 to the financial statements of the 2015 Annual Report.

MATERIAL EVENTS

Issue of the 2017 Convertible Bonds

On 27 September 2014, the Company as issuer and China Life Insurance (Overseas) Company Limited ("China Life") as subscriber entered into a convertible bond subscription agreement for the issue of convertible bonds in the principal amount of HK$600 million with an interest rate of 9% per annum to be due on the date falling on the third anniversary of the issue date (the "2017 Convertible Bonds"). The 2017 Convertible Bonds were issued on 3 October 2014 under the general mandate granted to the directors of the Company on 28 August 2014.

The 2017 Convertible Bonds shall be convertible at HK$0.40 (subject to the normal adjustments) per new share of the Company at any time during the period commencing from the date of issuance till maturity and therefore will be convertible into a total of 1,500 million new shares with a nominal value of approximately HK$15 million and a market value of approximately HK$382.5 million based on the closing price of the shares of HK$0.255 on 26 September 2014, being the last trading day prior to the date of the subscription agreement.

The total net proceeds from the issue of the 2017 Convertible bonds was approximately HK$600 million, and has been applied to refinance the HK$600 million 9% convertible bonds due 2014 issued to China Life maturing on 29 September 2014 without cash settlement. On 10 February 2015, China Life surrendered the 2017 Convertible Bonds as part of the subscription price for the HK$700 million convertible bonds due 2018 issued by the Company, further details of which are set out in the next section headed "Issue of the 2016 and 2018 Convertible Bonds".

Issue of the 2016 and 2018 Convertible Bonds

On 28 November 2014 the Company entered into convertible bonds subscription agreements with several subscribers, pursuant to which the Company issue an aggregate amount of HK$3,192 million (the "Total Subscription Price") convertible bonds (the "Convertible Bonds"). The Company intended to reschedule the existing convertible bonds due variously in 2015, 2016 and 2017 so that the convertible bond subscribers may be incentivized to convert all or part of the convertible bonds, and to better align the repayment schedule of the convertible bonds with the Company's cash flow position and repayment capabilities.

The Convertible Bonds are convertible into shares of the company at HK$0.20 each, bear interest of 9% per annum and will be due variously in 2016 and 2018. Assuming full conversion of the Convertible Bonds, 15,960,000,000 conversion shares will be allotted and issued pursuant to the specific mandate granted by the shareholders to the Directors in the extraordinary general meeting of the Company held on 28 January 2015. The conversion shares have a nominal value of HK$159.6 million and a market value of approximately HK$2,856.8 million based on the closing price of HK$0.179 on 28 November 2014, being the date of the subscription agreements.

The Total Subscription Price was satisfied by (i) setting-off against HK$3,092 million of the total principal amount of (a) part of the convertible bonds to be due in 2015, (b) all convertible bonds to be due in 2016, and (c) all the convertible bonds to be due in 2017; and (ii) HK$100 million in cash. The net proceeds of HK$100 million has been applied to repay borrowings and accrued interests. The Convertible Bonds were issued on 10 February 2015.

For details of the issue of the Convertible Bonds, please refer to the announcement of the Company dated 28 November 2014 and the circular of the Company dated 9 January 2015.

Adjustment to the Conversion Price of the 2015 Convertible Bonds

As the conversion price of the Convertible Bonds is HK$0.20 per share, pursuant to the terms and conditions (the "CB Terms and Conditions") of the subscription agreements dated 14 June 2013 entered into between the Company and each of the subscribers of the convertible bonds in aggregate principal amount of HK$2,584 million to be due in 2015 (the "2015 Convertible Bonds"), if the conversion price of the Convertible Bonds is less than 90% of the current market price per share on 27 November 2014, being the last trading day preceding the date of the announcement for the issue of the Convertible Bonds, the conversion price per share of the 2015 Convertible Bonds shall be adjusted according to the CB Terms and Conditions from HK$0.32 to HK$0.30 effective from 10 February 2015, being the date of issue of the Convertible Bonds (the "Adjustment").

The Adjustment is only applicable to part of the 2015 Convertible Bonds in the amount of HK$1,592 million which are not set off by the Convertible Bonds. The Adjustment is not applicable to convertible bonds which were issued prior to the Convertible Bonds and were set off by the Convertible Bonds. Following the Adjustment, the number of conversion shares issuable by the Company upon full conversion of the remaining 2015 Convertible Bonds was increased by 331,666,666 shares and the maximum number of conversion shares to be issued by the Company upon full conversion of the remaining 2015 Convertible Bonds has become 5,306,666,666 shares. Such conversion shares will be issued and allotted pursuant to the specific mandate granted by the shareholders to the Directors in the extraordinary general meeting of the Company held on 26 August 2013.

The Company's auditor, BDO Limited, had performed certain factual finding procedures on the Adjustment in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor had issued a report of factual findings to the Board stating that the computation of the Adjustment is mathematically accurate and is in compliance with the CB Terms and Conditions. Apart from the Adjustment, there is no change in the CB Terms and Conditions.

Increase in Authorized Share Capital

The authorised share capital of the Company was increased from HK$500,000,000, divided into 50,000,000,000 shares of HK$0.01 each to HK$700,000,000 divided into 70,000,000,000 shares of HK$0.01 each by the creation of additional 20,000,000,000 new shares on 28 January 2015 in order to facilitate the issue of the conversion shares upon full conversion of the convertible bonds issued by the Company.

PROSPECTS

The Board has been striving to look out for opportunities to enhance the competitive edge of Zhunxing Expressway and proactively push forward the expansion on the petroleum and related products business to achieve sustainable growth of the Group and maximize the benefits of the shareholders as a whole:

Operation of Zhunxing Expressway

In order to improve both the traffic volume and toll income of Zhunxing Expressway, the Group is actively implementing the following measures to promote and attract more coal transport vehicles to use Zhunxing Expressway on a regular basis:

(1) active promotion and marketing strategy to reduce the impact of sluggish coal market in the PRC as well as to maintain and raise the number and the loading of the coal vehicles of using Zhunxing Expressway. These include the offer of discounts to long distance heavy-haul vehicles and implementation of bonus card policy for major customers which helps to develop a stable customer base. In addition, the Group by taking advantage of the tunnel-free Zhunxing Expressway, is planning to carry out incentive measures to attract hazardous chemicals vehicles going from Baotou to the east;

(2) facilitating the interconnection with Beijing-Tibet Highway (京藏高速公路) ("G6") and Er-Guang Expressway (二廣高速公路) ("G55"). Interconnection with G6 and G55 has commenced in mid of June 2015. Prior to the interconnection with G6 and G55, light-haul vehicles traveling from east to west and heavy-haul vehicles traveling from west to east have to make a detour between the coal areas and the destination. After interconnecting with G6 and G55, vehicles running on Zhunxing Expressway are expected to enjoy a considerable saving on traveling cost and time, thereby increasing the traffic volume and toll income of Zhunxing Expressway;

(3) enhancing the coordination of toll collection network with nearby expressways by participating in the Electronic Toll Collection System of Inner Mongolia Autonomous Region, such that coal vehicles can pay the toll by using Electronic Toll Collection cards ("ETC Card"). The use of ETC Card is expected to enhance the efficiency and reduce the operating costs of Zhunxing Expressway;

(4) completing and perfecting auxiliary facilities of service areas and major petrol and gas stations – the construction of service areas and petrol and gas stations in the neighborhood of the Zhunxing Expressway was completed this year. These auxiliary facilities will come into operation after obtaining approvals from relevant government authorities. It is expected that such services areas and petrol and gas stations will provide supplementary services and convenience to road users, such as petrol and gas dispensing, maintenance services, and supply of oil, food, beverages and other necessities;

(5) to expedite the construction of logistics bases at both ends of the Zhunxing Expressway – with the opening and establishment of Qingshuihe Logistics Base to the west and Miaoliang Logistics Base to the east of the Zhunxing Expressway, a linear transport model of two points and one line will commence. These logistics bases are still under expansion and are expected to attract a steady growth of coal transport vehicles running on Zhunxing Expressway.

This year is the first full financial year after the official opening of the Zhunxing Expressway. Based on the experience of other expressway operators, an expressway usually needs to undergo an incubation stage of two to three years after opening. With the implementation of the above measures, the Board expects that the average daily toll income and average daily traffic volume of the Zhunxing Expressway will increase steadily, and thus it is full of confidence in the business prospects of the Zhunxing Expressway.

Petroleum and Related Products Business

Zitong Energy undertook upgrade and transformation of the petroleum depot of Dapeng in Zhanjiang of the PRC and the petroleum delivery device for vehicles at the petroleum depot. This has considerably enhanced the market competitiveness and liquidity of Dapeng's petroleum depot. The upgraded petroleum depot of Dapeng has commenced operation in February 2015 and is expected to record a refined petroleum storage capacity of 700,000 tons for the year 2015.

Looking forward, Zitong Energy will endeavour to further consolidate and expand the sources of resources, continue to optimize the client base and improve tracking services by providing tailor-made service to client. At the same time, the Company by employing system formulation, design of business flows and comprehensive risk controls will strengthen the operational management level, control the operating costs strictly and strive to increase gross profit per ton of petroleum, thus realizing the operational objectives of the Company.

In addition, Zitong Clean Energy will focus on technological coordination and business negotiation for the Huizhou Petrochemicals II POX Coal-To-Hydrogen Project and actively facilitate the forming of the related joint venture. It will also take proactive approach in the preliminary works including optimization of technologies, selection of equipment and construction. Besides, Zitong Clean Energy will also deploy further effort in the study of the coal chemical industry so as to explore a larger room for development.

Electric Vehicle Charging and CNG/LNG Dispensing stations

The Company entered into cooperative framework agreements with PetroChina Guangdong Marketing Company ("PetroChina Guangdong") and PetroChina Henan Marketing Company ("PetroChina Henan") on 28 August 2014 and 18 September 2014 respectively (the "Framework Agreements"), under which the Company has obtained first right for the installation and operation of electric vehicle charging and compressed natural gas (CNG) and/or liquefied natural gas (LNG) dispensing stations in over 1940 gas stations owned by PetroChina in Guangdong and Henan provinces. The framework agreements permit the Company to select locations for and construct such charging and dispensing stations in batches, and thereby obtain the right to operate them, and the revenue sharing arrangement will be determined with PetroChina Guangdong and PetroChina Henan in accordance with the situation of each individual charging or dispensing station. The relevant arrangements will be valid for not more than 20 years from the date of the Framework Agreements.

Building on the Framework Agreements, Zitong Energy formed a wholly-owned company, Shenzhenshi Qianhai Zitong New Energy Company Limited (深圳市前海資通新能源有限公司 "Zitong New Energy") at the end of 2014. Zitong New Energy will be responsible for the implementation of the cooperative framework agreements, site selection of the relevant projects and upgrade and transformation of the respective PetroChina gas stations. Up till now, Zitong New Energy has initially completed the project preliminary approval procedures for the transformation of 7 PetroChina gas stations at Huizhou, Guangdong Province of the PRC with new gas dispensing capability added. The relevant cooperation and construction works will be carried out soon.

In the coming financial year, Zitong New Energy will further expedite the transformation progress of the PetroChina gas stations in Guangdong Province and, leveraging on such experience, reinforce the cooperation with enterprises engaging in pipeline gas resources, CNG and LNG. It is aimed at achieving effective provision of resources to the market and thereby realizing the strategic development objective of the Group.

EMPLOYEES AND RETIREMENT BENEFIT SCHEME

The Group had approximately 861 employees in Hong Kong, the PRC and Guyana as at 31 March 2015. The Group implements remuneration policy, bonus and share options schemes to ensure that pay scales of its employees are rewarded on performance-related basis within the general framework of the Group's remuneration strategy.

The emoluments payable to the Directors are determined based on the scope of work, level of involvement, experience and seniority.

CHARGES ON ASSETS

As at 31 March 2015, the Group has pledged the following assets to secure part of the Group's borrowings:

i) Zhunxing's equity interests in Guo Kai Rui Ming (Beijing) Investment Fund Co., Limited (國開瑞明(北京)投資基金有限公司), Inner Mongolia Berun New Energy Company Limited (內蒙古博源新型能源有限公司) and Inner Mongolia Zhunxing Expressway Service Areas Management Company Limited (內蒙古准興高速服務區管理有限責任公司);

ii) Deposits of RMB106 million (approximately HK$134.04 million);

iii) Dapeng's petroleum storage tanks of 80,000m^3 located in Zhanjiang, the Guangdong Province of the PRC, with a carrying amount of HK$62.93 million; and

iv) Dapeng's investment property located in Guangzhou, the Guangzhou Province of the PRC, with a carrying amount of HK$124.27 million.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group did not have any material contingent liabilities.

DIVIDENDS

The Directors do not recommend any payment of final dividend for the year ended 31 March 2015 (2014: HK$Nil).

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

EXTRACT OF THE AUDITOR'S REPORT

OPINION

In our opinion, 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 March 2015 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 3(b) to the financial statements, which indicates that the Group incurred a net loss of HK$1,885,247,000 and had a net operating cash outflow of HK$431,181,000 during the year ended 31 March 2015 and, as of that date, the Group's current liabilities exceeded its current assets by HK$5,702,041,000. These conditions, along with other matters as set forth in note 3(b), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2015, the Company repurchased a total of 165,200,000 ordinary shares of the Company on the Stock Exchange at an aggregate consideration (before expenses) of HK$52,686,500. All the repurchased shares were subsequently cancelled.

Particulars of the repurchases are as follows:

Month	Number of shares repurchased	Purchase price Highest	Purchase price Lowest	Aggregate consideration (before expenses)
		(HK$)	*(HK$)*	*(HK$)*
July 2014	36,000,000	0.325	0.320	11,545,000
August 2014	129,200,000	0.325	0.310	41,141,500
	165,200,000			52,686,500

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company.

Save as disclosed above, there were no purchases, sales or redemptions of the company's listed securities by the company or any of its subsidiaries during the year ended 31 March 2015.

THE MODEL CODE

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less than the required standard set out in the Model Code in Appendix 10 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited ("Stock Exchange") and the Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions.

AUDIT COMMITTEE

The Company has established the Audit Committee in accordance with the requirements of the Listing Rules. The Audit Committee, comprising all independent non-executive Directors ("INED"), namely Mr. Yip Tak On (Chairman), Mr. Jing Baoli and Mr. Bao Liang Ming, is responsible for reviewing the Group's accounting practice and policies, the external audit, internal control and risk evaluation.

The Group's annual results for the year ended 31 March 2015 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established with specific written terms of reference which deal clearly with its authority and duties.

The Remuneration Committee comprises all INEDs, namely Mr. Yip Tak On (Chairman), Mr. Jing Baoli and Mr. Bao Liang Ming and an executive Director, Mr. Cao Zhong.

NOMINATION COMMITTEE

The Nomination Committee of the Company was established on 28 November 2011 with written terms of reference and it is chaired by the Chairman of the Board, Mr. Cao Zhong (Chairman) and the three INEDs, namely Mr. Yip Tak On, Mr. Jing Baoli and Mr. Bao Liang Ming.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the financial period under review, the Company has complied with all those code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "CG Code"), except the following deviation.

The Directors note that the CG Code requires the Board to hold at least four regular meetings a year at approximately quarterly intervals. However, in view of the fact that two regular meetings and five ad hoc meetings were convened during the year and all Directors maintained a high attendance rate in relation to these meetings, the Directors considered four regular meetings to be unnecessary. Further details of the Company's corporate governance practices will be set out in the Corporate Governance Report to be contained in the 2015 Annual Report.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the information required by paragraph 45 of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange in due course and at the website of the Company at http://www.crtg.com.hk. Our 2015 Annual Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the above websites in due course.

By order of the Board
China Resources and Transportation Group Limited
Cao Zhong
Chairman

Hong Kong, 19 June 2015

As at the date of this announcement, the Board comprises five executive Directors, namely Messrs Cao Zhong, Fung Tsun Pong, Duan Jingquan, Tsang Kam Ching, David and Gao Zhiping; a non-executive Director namely Mr. Suo Suo Stephen; and three independent non-executive Directors, namely Messrs Yip Tak On, Jing Baoli and Bao Liang Ming.