RISING DEVELOPMENT HOLDINGS LIMITED

(麗盛集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1004)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

AUDITED CONSOLIDATED RESULTS

The Board of Directors (the "Board") of Rising Development Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 HK$'000	2007 HK$'000
TURNOVER	3 & 4	**215,806**	359,576
Cost of sales		**(156,878)**	(319,379)
Gross profit		**58,928**	40,197
Other income and net gains/(losses)	5		
– Net (loss)/gain from investments		**(100,564)**	41,048
– Others		**7,108**	4,843
Fair value gains on investment properties		**11,520**	3,280
Selling and distribution expenses		**(3,135)**	(4,613)
Operating and administrative expenses		**(18,139)**	(13,889)
(LOSS)/PROFIT FROM OPERATING ACTIVITIES		**(44,282)**	70,866
Finance costs	6	**(4,212)**	(7,346)
Share of loss of an associate		**(2)**	(10)
(LOSS)/PROFIT BEFORE TAX	7	**(48,496)**	63,510
Tax	8	**8,627**	170
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**(39,869)**	63,680
DIVIDENDS	9	**–**	19,472
			(restated)
EARNINGS PER SHARE	10		
Basic		**HK(1.24) cents**	HK 2.09 cents
Diluted		**N/A**	N/A

* *For identification purposes only*

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2008

	Note	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,612**	6,812
Investment properties		**60,250**	30,380
Prepaid land lease payments		**–**	881
Interest in an associate		**18**	20
Available-for-sale financial assets		**32,927**	251,642
Deferred tax assets		**9,251**	–
		105,058	289,735
CURRENT ASSETS			
Inventories		**17,862**	10,261
Prepaid land lease payments		**–**	23
Deposit paid for acquisition of a subsidiary	*14 (a)*	**227,400**	–
Prepayments, deposits and other receivables		**2,695**	6,183
Derivative financial instruments		**–**	3,061
Trade receivables	*11*	**1,457**	629
Financial assets at fair value through profit or loss		**39,446**	107,538
Tax recoverable		**3,519**	–
Cash and cash equivalents		**92,651**	29,648
		385,030	157,343
CURRENT LIABILITIES			
Short-term bank loans			
– secured	*12*	**–**	110,982
Trust receipt loans	*12*	**15,159**	–
Trade payables	*13*	**272**	134
Customers' deposits		**2,938**	2,878
Other payables and accruals		**2,513**	2,291
Tax payable		**–**	479
		20,882	116,764
NET CURRENT ASSETS		**364,148**	40,579
TOTAL ASSETS LESS CURRENT LIABILITIES		**469,206**	330,314
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,267**	2,963
NET ASSETS		**461,939**	327,351
CAPITAL AND RESERVES			
Share capital		**72,726**	60,829
Reserves		**389,213**	254,964
Proposed dividend		**–**	11,558
TOTAL EQUITY		**461,939**	327,351

Notes:

1. Basis of Preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") (which also includes Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, investment properties and certain financial assets, which have been measured at fair value.

2. Impact of New and Revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Presentation of Financial Statements – Capital Disclosures
HK (IFRIC) – Int 8	Scope of HKFRS 2
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK (IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 7: Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) Amendment to HKAS 1: Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

(c) HK(IFRIC) – Int 8: Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has no share option granted to the Group's employees, the interpretation has had no effect on the financial statements.

(d) HK(IFRIC) – Int 9: Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) *HK(IFRIC) – Int 10: Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) *HK(IFRIC) – Int 11: HKFRS 2 – Group and Treasury Share Transactions*

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC) – Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 8	Operating Segments(1)
HKAS 1 (Revised)	Presentation of Financial Statements(1)
HKAS 23 (Revised)	Borrowing Costs(1)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements(4)
HKAS 32 and HKAS 1 Amendment	Puttable Financial Instruments and Obligations Arising on Liquidation(1)
HK(IFRIC)-Int 12	Service Concession Arrangements(3)
HK(IFRIC)-Int 13	Customer Loyalty Programmes(2)
HK(IFRIC)-Int 14	HKAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction(3)

(1) Effective for annual periods beginning on or after 1 January 2009
(2) Effective for annual periods beginning on or after 1 July 2008
(3) Effective for annual periods beginning on or after 1 January 2008
(4) Effective for annual periods beginning on or after 1 July 2009

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. These new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. Segment Information

(a) *By business segments:*

The following tables present revenue, (loss)/profit and expenditure and certain asset and liability information for the Group's business segments for the years ended 31 March 2008 and 2007.

	Trading in securities		**Investments**		**Manufacture and sale of fur garments**		**Trading of fur skins**		**Others**		**Eliminations**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)	***HK$'000***	*HK$'000* (restated)
Segment revenue:														
Sales to external customers	**203,784**	76,945	**–**	–	**10,778**	56,919	**1,244**	225,712	**–**	–	**–**	–	**215,806**	359,576
Intersegment sales	**–**	–	**–**	–	**–**	–	**566**	31,310	**–**	–	**(566)**	(31,310)	**–**	–
Income from investments	**2,004**	17,944	**12,651**	23,104	**–**	–	**–**	–	**–**	–	**–**	–	**14,655**	41,048
Other revenue	**–**	–	**–**	–	**574**	1,191	**71**	2,511	**9,732**	4,337	**(5,452)**	(3,822)	**4,925**	4,217
Total revenue	**205,788**	94,889	**12,651**	23,104	**11,352**	58,110	**1,881**	259,533	**9,732**	4,337	**(6,018)**	(35,132)	**235,386**	404,841
Segment results	**(37,192)**	23,775	**(3,529)**	21,161	**(3,184)**	7,397	**(1,917)**	14,345	**11,714**	4,959			**(34,108)**	71,637
Interest income													**2,183**	626
Unallocated expenses													**(12,357)**	(1,397)
(Loss)/profit from operating activities													**(44,282)**	70,866
Finance costs													**(4,212)**	(7,346)
Share of loss of an associate													**(2)**	(10)
(Loss)/profit before tax													**(48,496)**	63,510
Tax													**8,627**	170
(Loss)/profit attributable to equity holders of the Company													**(39,869)**	63,680
Segment assets	**128,073**	134,157	**33,413**	251,642	**8,469**	37,925	**19,061**	15,071	**93,448**	23,631	**(33,921)**	(15,368)	**248,543**	447,058
Interest in associate													**18**	20
Unallocated assets													**241,527**	–
Total assets													**490,088**	447,078
Segment liabilities	**–**	–	**(7,923)**	(87,893)	**(27,821)**	(34,743)	**(19,040)**	(1,572)	**(19)**	(7,445)	**33,921**	15,368	**(20,882)**	(116,285)
Unallocated liabilities													**(7,267)**	(3,442)
Total liabilities													**(28,149)**	(119,727)

(b) *By geographical segments:*

The following table presents revenue and result information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

	Hong Kong and Mainland China		**Japan**		**North America**		**Others**		**Consolidated**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**209,555**	308,795	**1,043**	17,680	**931**	19,830	**4,277**	13,271	**215,806**	359,576
Segment results	**(32,262)**	65,037	**(308)**	2,298	**(275)**	2,577	**(1,263)**	1,725	**(34,108)**	71,637

4. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and proceeds from trading in securities during the year.

An analysis of the Group's turnover is as follows:

	2008 HK$'000	2007 HK$'000
Turnover		
Sales of fur skins and fur garments	**12,022**	282,631
Proceeds from trading in listed securities	**203,784**	76,945
	215,806	359,576

5. Other Income and Net Gains/(Losses)

An analysis of the Group's other income and net gains/(losses) is as follows:

	2008 HK$'000	2007 HK$'000
Net (loss)/gain from investments:		
Interest income from investments in listed available-for-sale financial assets	**10,941**	16,512
Dividend income from listed available-for-sale financial assets	**269**	27
Dividend income from listed financial assets at fair value through profit or loss	**2,004**	3,672
Net realised (loss)/gain on investments in listed available-for-sale financial assets	**(18,163)**	919
Transfer from equity upon disposal of listed available-for-sale financial assets	**1,092**	1,652
Unrealised (loss)/gain on investments in listed financial assets at fair value through profit or loss	**(98,148)**	14,271
Net realised and unrealised gain on derivative financial instruments	**1,441**	3,995
	(100,564)	41,048
Others:		
Gross rental income	**307**	486
Gain on disposal of property, plant and equipment	**213**	–
Gain on disposals of investment properties	**2,079**	–
Bank interest income	**822**	584
Other interest income	**1,361**	42
Reversal of revaluation deficit on buildings for own use previously recognised in income statement	**–**	648
Exchange gain	**719**	923
Others	**1,607**	2,160
	7,108	4,843
	(93,456)	45,891

6. Finance Costs

	2008 HK$'000	2007 HK$'000
Interest on bank loans and overdrafts wholly repayable within five years	**2,289**	6,833
Interest on other loans wholly repayable within five years	**1,877**	–
Interest on trust receipt loans	**46**	513
Total finance costs	**4,212**	7,346

7. (Loss)/Profit Before Tax

(Loss)/profit before tax is arrived at after charging the following:

	2008	2007
	HK$'000	*HK$'000*
		(restated)
Depreciation	**783**	483
Recognition of prepaid land lease payments	**7**	23
Minimum lease payments under operating lease on land and buildings	**813**	544
Staff costs (including directors' remuneration)	**8,775**	11,194

8. Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the year ended 31 March 2008 (2007: Hong Kong profits tax had been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 March 2007).

	2008	2007
	HK$'000	*HK$'000*
Hong Kong profits tax		
– current year	**–**	4,213
– over provision in respect of prior years	**(104)**	(4,992)
	(104)	(779)
Deferred tax	**(8,523)**	609
Income tax credit	**(8,627)**	(170)

9. Dividends

	2008	2007
	HK$'000	*HK$'000*
Interim – HK Nil cents (2007: HK1.3 cents on pre-subdivision basis) per ordinary share	**–**	7,914
Proposed final – HK Nil cents (2007: HK1.9 cents on pre-subdivision basis) per ordinary share	**–**	11,558
	–	19,472

10. Earnings Per Share

Basic earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008	2007
		(restated)
(Loss)/profit attributable to equity holders of the Company (HK$'000)	**(39,869)**	63,680
Weighted average number of ordinary shares in issue (thousands)	**3,211,554**	3,043,355
Basic earnings per share (HK cents per share)	**(1.24) cents**	2.09 cents

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2007 has been adjusted for the Company's share subdivision in December 2007, by assuming the share subdivision has been taken place on 1 April 2006. As a result, the basic earnings per share for the year ended 31 March 2007 has been restated.

There were no potential dilutive ordinary shares during the years ended 31 March 2007 and 2008 and therefore, diluted earnings per share is not presented.

11. Trade Receivables

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 30 to 60 days for its trade receivables. Trade receivables are non-interest-bearing.

An aging analysis of trade receivables at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
Current to 30 days	**54**	335
31 days to 60 days	**80**	179
Over 60 days	**1,323**	115
	1,457	629

12. Banking Facilities/Borrowings

At 31 March 2008, the Group's banking facilities were secured by a corporate guarantee given by the Company. At 31 March 2007, the Group's banking facilities were secured by a corporate guarantee given by the Company and certain listed equity and quoted debt securities, leasehold land and buildings and certain investment properties of the Group.

The trust receipt loans and short-term bank loans amounting to HK$15,159,000 and HK$Nil respectively (2007: trust receipt loans of HK$Nil and short-term bank loans of HK$110,982,000) have been utilized by the Group at 31 March 2008.

13. Trade Payables

An aging analysis of trade payables at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
Current to 30 days	**146**	38
31 days to 60 days	**118**	36
Over 60 days	**8**	60
	272	134

The trade payables are non-interest-bearing and normally settled on 30 to 60 days terms.

14. Post Balance Sheet Events

(a) On 21 December 2007, the Company and a wholly owned subsidiary of the Company, Perfect Fair Limited, entered into an agreement with independent third parties (the "Vendors") to acquire the entire issued share capital of Oriental Harvest Development Limited, which indirectly owns 80% interest in 陝西久權礦業有限公司 (Shanxi Jiuquan Mining Company Limited) in Mainland China, which in turn is the beneficial and registered owner of 100% interest in the mining, exploration and exploitation rights over vanadium mine located in Xunyangba County, Ningshan Town, Shanxi Province, Mainland China at a consideration of HK$1,137 million which was settled by cash of HK$300 million and the Company's issue of HK$837 million convertible notes. The aggregate amount of goodwill arising as a result of the acquisition is estimated to be approximately HK$1,125 million. A deposit of HK$227.4 million was paid by the Group during the year ended 31 March 2008. The remaining cash consideration of HK$72.6 million was paid and the convertible notes in the aggregate amount of HK$837 million were issued to the Vendors on 11 April 2008 on which the acquisition was completed.

(b) On 4 June 2008, the Group entered into an agreement with an independent third party to dispose of one of its investment properties with a carrying value of HK$58,600,000 at a consideration of HK$52,399,600.

In addition, the Group entered into an agreement on 6 June 2008 with an independent third party to dispose of the remaining investment properties with a carrying value of HK$1,650,000 at a consideration of HK$1,600,000.

Total losses arising from these disposals are estimated to be approximately HK$6.7 million and the surplus on revaluation of approximately HK$25,009,000 will be released and transferred from the asset revaluation reserve to retained profits.

(c) Subsequent to the balance sheet date, the Group disposed of all available-for-sale financial assets to independent third parties for a total consideration of approximately HK$24,484,000, resulting in a loss on disposal of approximately HK$1,933,000.

15. Comparative Figures

Certain comparative amounts have been reclassified to conform with current year's presentation. The reclassifications had no impact on the Group's results for the year ended 31 March 2007.

As disclosed in note 10, the basic earnings per share for the year ended 31 March 2007 has been restated as a result of the Company's share subdivision in December 2007.

FINAL DIVIDEND

As a prudent measure to safeguard the Group's interest in a turbulent environment, the Board does not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: final dividend of HK1.9 cents per share on pre-subdivision basis).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

During the year under review, the Group recorded a turnover of HK$215,806,000 (2007: HK$359,576,000), representing a decrease of 40% as compared to that of last year. The decrease in turnover was mainly due to a significant drop in the fur skin trading business. The net loss attributable to equity holders of the Company for the current year amounted to HK$39,869,000 as compared to a net profit of HK$63,680,000 last year, resulting in a basic loss per share of HK1.24 cents for the current year (2007: basic earnings per share of HK2.09 cents (restated)).

Turnover by Business Segments

Ratio analysis by business segments for the Group's turnover for the year ended 31 March 2008 is as follows:

- Trading in securities: approximately HK$203,784,000, 94% of turnover (2007: HK$76,945,000, 21%).

- Fur skin trading: approximately HK$1,244,000, 1% of turnover (2007: HK$225,712,000, 63%).

- Manufacture and sale of fur garments: approximately HK$10,778,000, 5% of turnover (2007: HK$56,919,000, 16%).

Turnover by Geographical Region

Ratio analysis by geographical region for the Group's turnover for the year ended 31 March 2008 is as follows:

- Hong Kong and Mainland China: approximately HK$209,555,000, 97.1% of turnover (2007: HK$308,795,000, 86%).

- Japan: approximately HK$1,043,000, 0.5% of turnover (2007: HK$17,680,000, 5%).

- North America: approximately HK$931,000, 0.4% of turnover (2007: HK$19,830,000, 6%).

- Other regions: approximately HK$4,277,000, 2% of turnover (2007: HK$13,271,000, 3%).

Investment Business

Trading in securities

During the year, turnover from trading in securities was HK$203,784,000 (2007: HK$76,945,000), representing an increase of 165% as compared with the corresponding period last year. However, stock market volatility during the year generated a loss of HK$37,192,000, compared to a profit of HK$23,775,000 in the corresponding period last year.

Fur Business

Trading of fur skins

The decrease in the Group's total turnover in the current year was mainly due to reduction in the business of fur skin trading. During the year, turnover of fur skin trading was HK$1,244,000 (2007: HK$225,712,000), a 99% decrease as compared with the corresponding period last year. The resulting loss amounted to HK$1,917,000, whereas for the corresponding period last year there was a profit of HK$14,345,000. The decrease in turnover was mainly due to the resignation of some management and marketing staff in the fur skin sector during the company takeover period commencing in July 2007. Since then the staff team has been re-established and all operations are now resumed at normal activity level.

Manufacture and sale of fur garments

The turnover from fur garment manufacture and sale for the year was HK$10,778,000 (2007: HK$56,919,000), representing a decrease of 81% compared with the corresponding period last year. The resulting loss amounted to HK$3,184,000, whereas for the corresponding period last year there was a profit of HK$7,397,000. The decrease in turnover was mainly due to the resignation of some management and marketing staff in the fur garment sector during the company takeover period commencing in July 2007. Since then the staff team has been re-established and all operations are now resumed at normal activity level.

PROSPECTS

Investment Business

For the coming year, the Group will exercise caution in its investment activities amidst unfavourable market conditions. In view of the general weak market sentiment caused by the subprime mortgage crisis in the United States as well as tightening macroeconomic policies in Mainland China, the Group will carefully restructure its portfolio of investments in both securities and bonds.

Fur Business

Trading of fur skins

The past long cold winter brought about a brisk retail season, a competitive fur auction and significant increase in international fur material prices since December 2007. In face of historically high fur material prices, the Group will take prudent rather than aggressive steps in its marketing. The Group will continually monitor market trends to effectively reduce risk exposure. When raw material prices fall to a reasonable level, we will gradually expand our market share.

Manufacture and sale of fur garments

The Group will continue to focus on the Russian market, the most important fur market in the world. Russia has the tradition and the climate conditions for maintaining its leadership position. The Group will also explore the upcoming Mainland China market in a prudent manner targeting a much broader range of potential consumers with strong preferences for freedom of choice and independent thinking. The Group will add novelty and versatility to fur through new manufacturing processes, as well as fashionable new colours. The Group is expecting better results in its wholesale and retail fur garment business in the coming year.

Vanadium Mine Business

The Group believes there will be continuous market demand for natural resources, taking into account the sustained, though slowing, economic growth in Mainland China and the weakening of the US dollar. In the coming year the Group will inject more resources into its vanadium mine business. The mine, located in Shanxi, is 80% owned by the Group and is estimated to hold a vanadium reserve of over 300,000 tons. For the coming year the Group will focus on investing in the mine, while expected cash inflow from the mining business is scheduled to commence from the financial year 2010.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally derives cash for operations from internal cash flow and facilities from Hong Kong banks. As at 31 March 2008, the Group had cash and bank balances of approximately HK$92,651,000 (2007: HK$29,648,000). As at 31 March 2008, the Group's bank borrowings amounted to approximately HK$15,159,000 (2007: HK$110,982,000). The borrowings were on short term basis to fund the Group's working capital requirement. Shareholders' funds amounted to approximately HK$461,939,000 (2007: HK$327,351,000). Accordingly, the gearing ratio measured as bank borrowings, net of cash and bank balances, to shareholders' funds was nil (2007: 25%).

CAPITAL STRUCTURE

(I) For the year ended 31 March 2008, the Company repurchased 1,028,000 of its ordinary shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). All the shares repurchased were cancelled.

(II) During the year ended 31 March 2008, the Company issued in aggregate 120,000,000 new shares by way of placing and received net proceeds of approximately HK$171.4 million, which have been used for the mining business.

CHARGES ON ASSETS

At 31 March 2008, the Group's banking facilities were secured by a corporate guarantee given by the Company. At 31 March 2007, the Group's banking facilities were secured by a corporate guarantee given by the Company and certain listed equity and quoted debt securities, leasehold land and buildings and certain investment properties of the Group.

The trust receipt loans and short-term bank loans amounting to HK$15,159,000 and HK$Nil respectively (2007: trust receipt loans of HK$Nil and short-term bank loans of HK$110,982,000) have been utilised by the Group at 31 March 2008.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS

There were no material acquisition and disposal of subsidiaries and associates during the year ended 31 March 2008.

Subsequent to the balance sheet date, details of significant investment and material acquisitions of the Group are set out in Note 14.

FOREIGN EXCHANGE EXPOSURE

The Group's businesses are mainly conducted in US dollars and Hong Kong dollars. Therefore, the exchange risks the Group is exposed to are minimal.

EMPLOYEES

As at 31 March 2008, the Group employed around 21 employees in Hong Kong, Macau and Mainland China. The Group's remuneration policies are based primarily on the prevailing market rate and the performance of individual employees. Fringe benefits, including Mandatory Provident Fund, medical benefits and training are provided. The Group has also established a discretionary bonus scheme for its management and staff with awards determined annually based upon the performance of the Group and individual employees.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 March 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased its own listed shares on the Stock Exchange as follows:

Month of repurchases	**Number of shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate price paid** *HK$'000*
April, 2007	1,028,000	0.375 *(Note)*	0.36 *(Note)*	372

Note: These share prices had not been adjusted for the Company's share subdivision in December 2007.

The repurchased shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of HK$269,000 (2007: HK$113,000) was charged against the share premium account.

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Audit Committee, comprising the three independent non-executive directors of the Company, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Company's audited financial statements for the year ended 31 March 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance practices are essential for effective management and enhancing shareholders' value. In the opinion of the Board, the Company has met the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for the following deviations:

Code provision A.2.1 of the CG Code

This code provision stipulates that the roles of Chairman and Chief Executive Officer of a listed issuer should be separate and should not be performed by the same individual. Mr. Lai Leong currently assumes both of these two roles of the Company. Though this arrangement has led to the Company's non-compliance of the code provision A.2.1 of the CG Code, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Lai provides the Group with a strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. As such, the structure is beneficial to the Group and the shareholders as a whole.

Code provision A.4.1 of the CG Code

This code provision stipulates that non-executive directors of a listed issuer should be appointed for a specific term. Currently, the Company has not complied with such code provision. Although the directors of the Company, including the non-executive directors, do not have a specific term of appointment, the Board considers that the Company meets the objective of the code provision A.4.1 since all of the Company's directors are subject to retirement by rotation and re-election at the Company's annual general meeting at least once every three years in accordance with the Company's Bye-laws.

Code provision A.5.4 of the CG Code

This code provision stipulates that a listed issuer should establish written guidelines (the "Employees Written Guidelines") for its relevant employees (i.e. the employees who are likely to be in possession of unpublished price-sensitive information of the issuer or its securities (the "Relevant Employees")) on no less exacting terms than the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix 10 to the Listing Rules, in respect of the Relevant Employees' dealings in the securities of the issuer. Though the Company has not yet established its Employees Written Guidelines during the year ended 31 March 2008, no incident of non-compliance of the Model Code by the Relevant Employees of the Group was noted by the Company. In addition, subsequent to the year ended 31 March 2008, the Company has established its Employees Written Guidelines for governing the Relevant Employees' dealings in the Company's securities.

Further information on the Company's corporate governance practices will be detailed in the corporate governance report contained in the annual report of the Company for the year ended 31 March 2008 (the "Annual Report"), which shall be sent to the Company's shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 18 August 2008 to Friday, 22 August 2008, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming Annual General Meeting of the Company (the "2008 AGM"), unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 August 2008.

ANNUAL GENERAL MEETING

The 2008 AGM will be held on Friday, 22 August 2008. Details of the 2008 AGM are set out in the notice of the 2008 AGM which constitutes part of the circular to be sent to the Company's shareholders together with the Annual Report. Notice of the 2008 AGM and the proxy form will also be available on the Stock Exchange's website and the Company's website.

ACKNOWLEDGEMENT

The management considers turning the Group back to a profitable position is the major task of the Group. I would like to take this opportunity to thank all of our shareholders, investors, bankers, business associates and customers for their continuous support to the Group, and to my fellow directors and all staff members for their hard work and contributions over the past year.

PUBLICATION OF FURTHER INFORMATION

The Annual Report containing the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkrising.com) in due course.

On behalf of the Board
Lai Leong
Chairman

Hong Kong, 18 July 2008

As at the date of this announcement, the executive directors of the Company are Mr. Lai Leong, Mr. Lee Yuk Lun and Mr. Kong Shan, David and the independent non-executive directors of the Company are Mr. Fok Ho Yin, Thomas, Mr. Tso Hon Sai, Bosco and Mr. Tsui Ching Hung.