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 2009

The Board of Directors (the "Board") of Rising Development Holdings Limited (the "Company") announces as follows the audited consolidated results of the Company and its subsidiaries (together hereinafter referred to as the "Group") for the year ended 31 March 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 HK$'000	2008 HK$'000
TURNOVER	4 & 5	**173,611**	215,806
Cost of sales		**(164,064)**	(156,878)
Gross profit		**9,547**	58,928
Other income and net gains/(losses)	6		
– Net loss from investments		**(62,648)**	(100,564)
– Others		**167,618**	7,108
Fair value gains on investment properties		**–**	11,520
Loss on disposal of investment properties		**(6,250)**	–
Impairment loss on goodwill		**(1,300)**	–
Selling and distribution expenses		**(4,786)**	(3,135)
Operating and administrative expenses		**(18,984)**	(18,139)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		**83,197**	(44,282)
Finance costs	7	**(144,129)**	(4,212)
Share of loss of an associate		**–**	(2)
LOSS BEFORE TAX	8	**(60,932)**	(48,496)
Tax	9	**(6,112)**	8,627
LOSS FOR THE YEAR		**(67,044)**	(39,869)
Attributable to:			
Equity holders of the Company		**(66,679)**	(39,869)
Minority interests		**(365)**	–
		(67,044)	(39,869)
DIVIDENDS	10	**–**	–
LOSS PER SHARE	11		
Basic		**HK(1.83) cents**	HK(1.24) cents
Diluted		**HK(1.83) cents**	HK(1.24) cents

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**3,478**	2,612
Investment properties		**–**	60,250
Prepaid land lease payments		**–**	–
Interest in an associate		**–**	18
Available-for-sale financial assets		**7,800**	32,927
Exploration and evaluation assets		**1,799,008**	–
Goodwill		**3,891**	–
Deferred tax assets		**–**	9,251
		1,814,177	105,058
CURRENT ASSETS			
Inventories		**29,934**	17,862
Deposit paid for acquisition of a subsidiary		**–**	227,400
Prepayments, deposits, temporary payments and other receivables		**5,386**	2,695
Trade receivables	*12*	**3**	1,457
Financial assets at fair value through profit or loss		**49,959**	39,446
Tax recoverable		**2,832**	3,519
Time deposits, cash and bank balances		**27,709**	92,651
		115,823	385,030
CURRENT LIABILITIES			
Trust receipt loans		**–**	15,159
Trade payables	*14*	**62**	272
Customers' deposits		**2,161**	2,938
Other payables and accruals		**5,743**	2,513
Tax payable		**590**	–
		8,556	20,882
NET CURRENT ASSETS		**107,267**	364,148
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,921,444**	469,206
NON-CURRENT LIABILITIES			
Convertible notes		**756,278**	–
Deferred tax liabilities		**447,733**	7,267
		1,204,011	7,267
NET ASSETS		**717,433**	461,939
CAPITAL AND RESERVES			
Share capital		**72,726**	72,726
Reserves		**374,754**	389,213
Equity attributable to equity holders of the Company		**447,480**	461,939
Minority interests		**269,953**	–
TOTAL EQUITY		**717,433**	461,939

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CONSOLIDATION

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 investment properties and certain financial assets, which have been measured at fair value.

The consolidated financial statements included the financial statements of the Company and its subsidiaries for the year ended 31 March 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments and interpretations ("INTs") (herein collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellation[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Financial Instrument Disclosures – Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded Derivatives[7]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[5]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[6]
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[8]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2009.
4 Effective for annual periods beginning on or after 1 July 2009.
5 Effective for annual periods beginning on or after 1 July 2008.
6 Effective for annual periods beginning on or after 1 October 2008.
7 Effective for annual periods ending on or after 30 June 2009.
8 Effective for transfers of assets from customers received on or after 1 July 2009.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

(a) Business segments:

The following tables present revenue, profit/(loss) and expenditure and certain asset and liability information for the Group's business segments for the years ended 31 March 2009 and 2008.

2009	Trading in securities *HK$'000*	Investments *HK$'000*	Manufacture and sale of fur garments *HK$'000*	Trading of fur skins *HK$'000*	Mine *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:								
Sales to external customers	19,200	–	7,816	146,595	–	–	–	173,611
Intersegment sales	–	–	6,016	6,176	–	–	(12,192)	–
Income from investments	50	414	–	–	–	–	–	464
Other revenue	–	–	1,446	128	17,823	–	(1,173)	18,224
Total revenue	19,250	414	15,278	152,899	17,823	–	(13,365)	192,299
Segment results	(53,961)	(2,331)	(9,432)	(881)	15,997	(7,278)		(57,886)
Interest income								217
Change in fair value of derivative components embedded in convertible notes								149,184
Unallocated expenses								(8,318)
Profit from operating activities								83,197
Finance costs								(144,129)
Loss before tax								(60,932)
Tax								(6,112)
Loss for the year								(67,044)

2009	Trading in securities *HK$'000*	Investments *HK$'000*	Manufacture and sale of fur garments *HK$'000*	Trading of fur skins *HK$'000*	Mine *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment assets	70,061	8,146	29,276	33,806	1,799,889	56,659	(70,669)	1,927,168
Unallocated assets								2,832
Total assets								1,930,000
Segment liabilities	–	(8,167)	(27,175)	(30,356)	(2,390)	(10,547)	70,669	(7,966)
Unallocated liabilities								(1,204,601)
Total liabilities								(1,212,567)
Other segment information:								
Depreciation	–	(4)	(691)	(52)	(18)	(50)		(815)
Capital expenditure	–	–	(839)	–	(24)	(601)		(1,464)
Loss on disposal of investment properties	–	–	–	–	–	(6,250)		(6,250)
Net realised loss on investments in available-for-sale financial assets	–	(2,004)	–	–	–	–		(2,004)
Unrealised loss on investments in financial assets at fair value through profit or loss	(61,108)	–	–	–	–	–		(61,108)

2008	Trading in securities HK$'000	Investments HK$'000	Manufacture and sale of fur garments HK$'000	Trading of fur skins HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue:							
Sales to external customers	203,784	–	10,778	1,244	–	–	215,806
Intersegment sales	–	–	–	566	–	(566)	–
Income from investments	2,004	12,651	–	–	–	–	14,655
Other revenue	–	–	574	71	9,732	(5,452)	4,925
Total revenue	205,788	12,651	11,352	1,881	9,732	(6,018)	235,386
Segment results	(37,192)	(3,529)	(3,184)	(1,917)	11,714		(34,108)
Interest income							2,183
Unallocated expenses							(12,357)
Loss from operating activities							(44,282)
Finance costs							(4,212)
Share of loss of an associate							(2)
Loss before tax							(48,496)
Tax							8,627
Loss for the year							(39,869)

2008	Trading in securities *HK$'000*	Investments *HK$'000*	Manufacture and sale of fur garments *HK$'000*	Trading of fur skins *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment assets	128,073	33,413	8,469	19,061	93,448	(33,921)	248,543
Interest in associate							18
Unallocated assets							241,527
Total assets							490,088
Segment liabilities	–	(7,923)	(27,821)	(19,040)	(19)	33,921	(20,882)
Unallocated liabilities							(7,267)
Total liabilities							(28,149)
Other segment information:							
Depreciation	–	(4)	(763)	(4)	(12)		(783)
Capital expenditure	–	(22)	(3,193)	–	(6)		(3,221)
(Gain)/loss on disposal of property, plant and equipment	–	–	(286)	19	54		(213)
Net realised loss on investments in available-for-sale financial assets	–	(17,071)	–	–	–		(17,071)
Unrealised loss on investments in financial assets at fair value through profit or loss	(98,148)	–	–	–	–		(98,148)
Fair value gains on investment properties	–	–	–	–	11,520		11,520

(b) Geographical segments:

The following tables present revenue, profit/(loss) and certain asset and expenditure information for the Group's geographical segments.

	Hong Kong and Mainland China *HK$'000*	Japan *HK$'000*	North America *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
2009					
Segment revenue:					
Sales to external customers	**170,307**	**647**	**152**	**2,505**	**173,611**
Segment results	**(53,892)**	**(782)**	**(184)**	**(3,028)**	**(57,886)**
2008					
Segment revenue:					
Sales to external customers	209,555	1,043	931	4,277	215,806
Segment results	(32,262)	(308)	(275)	(1,263)	(34,108)
2009					
Other segment information:					
Segment assets	**1,922,213**	**–**	**1**	**4,954**	**1,927,168**
Capital expenditure	**(832)**	**–**	**–**	**(632)**	**(1,464)**
2008					
Other segment information:					
Segment assets	248,505	–	38	–	248,543
Capital expenditure	(3,221)	–	–	–	(3,221)

5. TURNOVER

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

	2009 ***HK$'000***	2008 *HK$'000*
Turnover		
Sales of fur skins and fur garments	**154,411**	12,022
Proceeds from trading in listed financial assets at fair value through profit or loss	**19,200**	203,784
	173,611	215,806

6. OTHER INCOME AND NET GAINS/(LOSSES)

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

	2009	2008
	HK$'000	*HK$'000*
Net loss from investments:		
Interest income from investments in listed available-for-sale financial assets	**414**	10,941
Dividend income from listed available-for-sale financial assets	**–**	269
Dividend income from listed financial assets at fair value through profit or loss	**50**	2,004
Net realised loss on investments in listed available-for-sale financial assets	**(713)**	(18,163)
Transfer from equity upon disposal of listed available-for-sale financial assets	**(1,291)**	1,092
Unrealised loss on investments in listed financial assets at fair value through profit or loss	**(61,108)**	(98,148)
Net realised and unrealised gain on derivative financial instruments	**–**	1,441
	(62,648)	(100,564)
Others:		
Gain on disposals of property, plant and equipment	**150**	213
Gain on disposals of investment properties	**–**	2,079
Gross rental income	**36**	307
Bank interest income	**129**	822
Other interest income	**87**	1,361
Exchange gain	**–**	719
Excess over the cost of a business combination recognised in income statement	**17,823**	–
Fair value change on derivative components embedded in convertible notes	**149,184**	–
Others	**209**	1,607
	167,618	7,108
	104,970	(93,456)

7. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest expenses on convertible notes	**143,139**	–
Interest on bank loans and overdrafts wholly repayable within five years	**–**	2,289
Interest on other loans wholly repayable within five years	**–**	1,877
Interest on trust receipt loans	**990**	46
Total finance costs	**144,129**	4,212

8. LOSS BEFORE TAX

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

	2009 *HK$'000*	2008 *HK$'000*
Cost of inventories sold	**161,795**	23,289
Depreciation	**815**	783
Recognition of prepaid land lease payments	**–**	7
Minimum lease payments under operating lease on land and buildings	**2,988**	813
Pension contributions	**187**	146
Auditor's remuneration		
– audit services	**380**	368
– other services	**120**	288
	500	656
Staff costs (excluding directors' remuneration)	**5,207**	5,422
Gross rental income	**(36)**	(307)
Less: outgoings	**42**	190
Net rental expense/(income)	**6**	(117)
Provision for obsolete inventories written back	**(877)**	(3,204)
Loss on disposal of property, plant and equipment	**104**	–
Exchange loss	**434**	–

9. 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 years ended 31 March 2009 and 31 March 2008. Overseas taxes on assessable profits of the Company or its subsidiaries, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

	2009 *HK$'000*	2008 *HK$'000*
Hong Kong profits tax		
– current year	**–**	–
– overprovision in respect of prior years	**–**	(104)
	–	(104)
Deferred tax		
– current year	**6,112**	(8,893)
– attributable to a change in tax rate	**–**	370
Income tax expense/(credit)	**6,112**	(8,627)

10. DIVIDENDS

	2009 *HK$'000*	2008 *HK$'000*
Proposed final – HKNil cent (2008: Nil)	**–**	–

As a prudent measure to safeguard the Group's interest in a turbulent environment, the board of directors does not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

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

	2009	2008
Loss for the year attributable to equity holders of the Company (HK$'000)	**(66,679)**	(39,869)
Weighted average number of ordinary shares in issue (thousands)	**3,636,340**	3,211,554
Basic loss per share (HK cents per share)	**(1.83) cents**	(1.24) cents

Basic loss per share amounts for the year ended 31 March 2009 are not adjusted for the Company's share consolidation occurring after the balance sheet date in April 2009, details of which are set out in note 15(a). These transactions do not affect the amount of capital used to produce the profit or loss for the year.

(b) Diluted loss per share

Diluted loss per share amounts for the years ended 31 March 2009 and 2008 are the same as the basic loss per share, as the convertible notes outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

12. 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 customers. Trade receivables are non-interest bearing.

An ageing analysis of trade receivables at the balance sheet date based on the invoice date is as follows:

	2009	2008
	HK$'000	*HK$'000*
Current to 30 days	**1**	54
31 days to 60 days	**–**	80
Over 60 days	**2**	1,323
	3	1,457

Impairment losses in respect of trade receivables are recorded using the allowance account unless the Group is satisfied that the recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

13. BANKING FACILITIES/BORROWINGS

At 31 March 2009, the Group's banking facilities were supported by a corporate guarantee given by the Company. At 31 March 2008, the Group's banking facilities were secured by a corporate guarantee given by the Company and certain listed equity and quoted debt securities and leasehold land and buildings of the Group.

At 31 March 2009, the Group did not obtain any trust receipt loans (2008: trust receipt loans of HK$15,159,000).

All of the bank borrowings for the year ended 31 March 2008 were variable-rate borrowings which carried interest ranging from 2.65% to 4.05% per annum. Interest rates were repricing weekly and monthly. All of the bank borrowings were repayable within one year.

14. TRADE PAYABLES

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

	2009	2008
	HK$'000	*HK$'000*
Current to 30 days	**59**	146
31 days to 60 days	**2**	118
Over 60 days	**1**	8
	62	272

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

15. POST BALANCE SHEET EVENTS

(a) Subsequent to the balance sheet date, every twenty-five issued shares of HK$0.02 each in the share capital of the Company (the "Shares") was consolidated into one share of HK$0.5 (the "Consolidated Share") in April 2009. The paid-up capital of each Consolidated Share was reduced from HK$0.5 to HK$0.01 by cancelling HK$0.49 so as to create a reorganised share of HK$0.01 each (the "Reorganised Share"). Each of the authorised but unissued shares of HK$0.02 was sub-divided into two Reorganised Shares of HK$0.01 each.

(b) Pursuant to deeds of settlement dated 24 June 2009, the Company issued new convertible notes in the aggregate principal amount of HK$744,930,000 with a term of 3 years. The notes bear no interest which are due in 2011. The holders of the convertible notes have the right to convert into ordinary share of the Company at an initial conversion price of HK$0.6 per share subject to adjustment. The Company shall have the right to redeem the whole or part of the outstanding convertible notes.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

During the year under review, the Group recorded a turnover of HK$173,611,000 (2008: HK$215,806,000), representing a decrease of 20% as compared to that of last year. The decrease in turnover was mainly due to significant drop in the business of trading in securities. The net loss attributable to equity holders of the Company for the current year amounted to HK$66,679,000 as compared to a net loss of HK$39,869,000 last year, resulting in a basic loss per share this year of HK$1.83 cents (2008: basic loss per share of HK$1.24 cents). The loss were mainly due to the net loss in investments of HK$62,648,000 and the interest expenses on convertible notes of HK$143,139,000. The interest expenses on convertible notes was mainly accounted by the interest charged on the old convertible note of HK$837,000,000 which was replaced by the issuance of new convertible note of HK$744,930,000. These old and new convertible notes were part of the consideration for acquisition of the vanadium mine.

Turnover by Business Segments

Ratio analysis by business segments for the Group's turnover for the year ended 31 March 2009 is as follows:

- Trading in securities: approximately HK$19,200,000, 11% of turnover (2008: HK$203,784,000, 94%)

- Fur skin trading: approximately HK$146,595,000, 84% of turnover (2008: HK$1,244,000, 1%)

- Manufacture and sale of fur garments: approximately HK$7,816,000, 5% of turnover (2008: HK$10,778,000, 5%)

Turnover by Geographical Region

Ratio analysis by geographical region for the Group's turnover for the year ended 31 March 2009 is as follows:

- Hong Kong and Mainland China: approximately HK$170,307,000, 98.1% of turnover (2008: HK$209,555,000, 97.1%)

- Japan: approximately HK$647,000, 0.37% of turnover (2008: HK$1,043,000, 0.5%)

- North America: approximately HK$152,000, 0.09% of turnover (2008: HK$931,000, 0.4%)

- Other regions: approximately HK$2,505,000, 1.44% of turnover (2008: HK$4,277,000, 2%)

INVESTMENT BUSINESS

Trading in securities

The decrease in the Group's total turnover for the year was mainly due to the reduction in the business of trading in securities as a result of a more cautious attitude towards the volatile securities market of the Board. During this year, turnover from trading in securities was HK$19,200,000, representing a decrease of 91% compared with the corresponding period last year of HK$203,784,000. Loss resulted from our business of trading in securities during the year was HK$53,961,000, representing an increase of 45% compared with the corresponding period last year of loss HK$37,192,000.

FUR BUSINESS

Trading of fur skins

During this year turnover of fur skin trading was HK$146,595,000, representing an 11,684% increase compared with the corresponding period last year of HK$1,244,000, while its loss is recorded at HK$881,000, a 54% decrease compared with the corresponding period last year of HK$1,917,000. The significant increase in turnover in the current year in the trading of fur skin was due to the good performance of our re-established marketing team and the good market sentiment during the first half financial year. Slim profit margin was the result of the cost of re-establishing of our marketing team and slim profit strategy to re-build customer base.

Manufacture and sales of fur garment

The turnover of fur garment manufacturing and sales throughout the year was HK$7,816,000, representing a decrease of 27% compared with the corresponding period last year of HK$10,778,000. During the year, the loss from manufacture and sales of fur garment was HK$9,432,000 while the loss of the corresponding period last year was HK$3,184,000. The decrease in turnover was due to slow garment sale in the retail market as a result of the financial turmoil which happened towards the end of 2008.

2009 is expected to be another challenging year with a lot of uncertainties ahead. However, the management believes that the persistent economic growth in China would eventually benefits the Group.

MINE BUSINESS

During the year under review, the mining business of the Group has not yet contributed any operational turnover.

PROSPECT

Investment Business

For the coming year, the Group will keep caution in its investment activities as the market atmosphere presently is still fluctuated. This is a challenge and also a chance for the group to gain profit in the investment business sector. The Group will try our effort to capture this opportunity and at the same time exercise care to build up its portfolio in securities investment activities.

Fur Business

Trading of fur skins

Before the recent slowdown, economic growth in Russia and China was creating wealthy consumers who could splurge on luxury goods. As the credit crisis ripples around the globe, one of the biggest fur markets Russia have placed stiff controls on the outflow of hard currency, thus severely limiting what trade buyers at auctions can spend. In addition, the Russian fur business, which grew rapidly as oil wealth rose, is being hit hard by tight credit. Pelt prices are down about 30% from a year ago. The Group will contract fur skin trading business to avoid any negative impact on the group's overall performance. Over the past decade, mink production has been shifting to China, and the Group will take the prudent step to further cooperate with China manufactures for the fur skin trading business.

Manufacture and sales of fur garment

The China Market is the most important fur market in the world. The Group will continue to explore the mainland market along with its strategic partners. A more widen strategy of expanding both wholesale and retail markets in China, and step by step to develop our marketing channel in China for selling of our own brand is one of our the task of the coming year.

The Group has acquired a retail outlet in Paris in October 2008 for the selling of our own brand of fur garment. Although the market sentiment deteriorate towards the end of 2008 due to the financial turmoil, the management views this as a step to move ahead to develop retail business and as part of our strategy to develop our own sale channel for our own brand worldwide.

Vanadium Mine Business

Though minerals and resources price during last year has dropped significantly, 2010 is still expected to be a tough year for the Group's mining business, endorsed by the recent amended figure of global economic growth increase from -1.75% to -2.9% that put forward by The World Bank on June 2009. This year the Group keeps on slowing down our investment in our vanadium mine to protect our mine reserve and the pace of investment in the mining business will still depend on the market price of the vanadium which has recently dropped to approximately RMB180,000,000 per ton.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally derives cash for operation from internal cash flow and facilities from banks in Hong Kong and PRC. As at 31 March 2009, the Group had time deposits, cash and bank balances of approximately HK$27,709,000 (2008: HK$92,651,000). As at 31 March 2009, the Group's interest bearing bank and other borrowings (including convertibles notes) amounted to approximately HK$756,278,000 (2008: HK$15,159,000). Shareholders' funds amounted to approximately HK$717,433,000 (2008: HK$461,939,000). Accordingly, the gearing ratio (as calculated under capital structure) was 1.02 (2008: nil).

CAPITAL STRUCTURE

On 11 April 2008, the Company issued convertible notes with a nominal value of HK$837,000,000 (the "April Convertible Notes") to three independent vendors as part of consideration for acquiring 80% interest in 陝西久權礦業有限公司 (Shanxi Jiuquan Mining Company Limited). The April Convertible Notes bear interest at 1% per annum with a maturity date on 10 April 2011. The holders of the April Convertible Notes (the "CN holders") have the right to convert on or after 11 April 2008 up to and including 10 April 2011, into ordinary share of the Company at an initial conversion price of HK$0.28 per share, subject or adjustment for general dilutive events.

Subsequent to the balance sheet date, the Company entered into a deed of settlement with the holders of the April Convertible Notes that the Company would issue to the CN holders the new convertible notes in the aggregate principal amount of HK$744,930,000 with a term of 3 years. The notes bear no interest.

On 24 September 2008, the Company entered into the placing agreement (the "Placing Agreement") with the placing agent (the "Placing Agent"), pursuant to which the Placing Agent agreed to procure the placees for the convertible notes with principal amount of HK$43,200,000 (the "October Convertible Notes"). The October Convertible Notes bear no interest with maturity date on 14 October 2011. The holders of the October Convertible Notes have the right to convert on or after 15 October 2008 up to and including 7 October 2011, into ordinary share of the Company at an initial conversion price of HK$0.06 per share.

As at 31 March 2009, the Company has 3,636,340,000 shares of HK$0.02 each in issue. On 12 June 2009, pursuant to a special resolution passed by the shareholders of the Company, the Company effected a capital reorganisation (the "Capital Reorganisation"), which included:

a. share consolidation of every twenty-five issued shares of HK$0.02 each into one consolidated share of HK$0.50 each;

b. capital reduction of the par value of each issued consolidated share from HK$0.50 to HK$0.01 by cancellation of HK$0.49 of the paid-up capital on each consolidated share;

c. share sub-divided of each of the authorized but unissued shares of HK$0.02 each into two reorganised share of HK$0.01 each; and

d. the credit arising in the accounts of the Company from the capital reduction will be credited to the contributed surplus account of the Company.

An aggregate amount of HK$71,272,264 will arise as a result of the Capital Reorganisation which will be credited to the contributed surplus account of the Company.

Resulting from the Capital Reorganisation, the initial conversion price of the October Convertible Notes HK$0.06 was adjusted according to the terms of the October Convertible Notes. Assuming that the October Convertible Notes is fully converted at the prevailing conversion price of HK$1.50, the number of new shares of HK$0.01 each to be allotted and issued is 28,800,000.

Time deposits, cash and bank balances of the Group include the following amounts denominated in a currency other than the Group's functional currency, HK dollars:

	2009	2008
Euro dollars	**EUR139,230**	EUR3,724
United States dollars	**USD78,323**	USD9,544,573
Renminbi	**RMB2,246,889**	RMB32,697

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. Net debt includes interest-bearing bank and other borrowings, less time deposits, cash and bank balances, and excludes discontinued operations. Capital includes equity attributable to equity holders of the Company. The gearing ratio of the Group as at the balance sheet dates was as follows:

	2009	2008
	HK$'000	*HK$'000*
Convertible notes	**756,278**	–
Trust receipt loans	**–**	15,159
Total interest-bearing bank and other borrowings	**756,278**	15,159
Less: time deposits, cash and bank balances	**27,709**	92,651
Net debt	**728,569**	(77,492)
Total equity	**717,433**	461,939
Gearing ratio	**1.02**	Nil

CHARGES ON ASSETS

At 31 March 2009, the Group's banking facilities were supported by a corporate guarantee given by the Company. At 31 March 2008, the Group's banking facilities were secured by a corporate guarantee given by the Company and certain listed equity and quoted debt securities and leasehold land and buildings of the Group.

At 31 March 2009, the Group did not obtain any trust receipt loans.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS

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 PRC, 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, PRC 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. This acquisition was completed on 11 April 2008.

The management believed that the acquisition enables the Group to diversify into the promising mineral sector and will benefit the Group in the future.

Subject to the balance sheet date, the Company entered into a deed of settlement with the holders of the convertible notes that the Company issues to the CN holders the new convertible notes in the aggregate principal amount of HK$744,930,000. The total consideration in calculating the goodwill was adjusted to reflect the ultimate settlement of the acquisition.

FOREIGN EXCHANGE EXPOSURE

The Group's businesses are mainly conducted in United States dollars and Renminbi, with minimal exposure to fluctuations in foreign exchanges.

EMPLOYEES

As at 31 March 2009, the Group employed around 24 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 2009.

FINAL DIVIDEND

As a prudent measure to overcome the more and more unpredictable difficulties and challenges in the coming year, the Board does not recommend the payment of a final dividend for the year ended 31 March 2009 (2008: final dividend Nil per share).

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 CG Code

This code provision stipulates that the roles of the Chairman of the Board and Chief Executive Officer 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 consider 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 E.1.2 of the CG Code

Code provision E.1.2 of the CG Code stipulates that the Chairman should attend the annual general meeting. Mr. Lai Leong, the Chairman of the Board, was unable to attend the Company's 2008 annual general meeting as he had another important business engagement. Despite his absence, he had arranged for Mr. Lee Yuk Lun, an executive director and the Deputy Chairman of the Company, to take the chair of the meeting and answer shareholders' question. Mr. Lai also arranged for the Chairman of the Audit Committee and the Remuneration Committee to be available to answer questions at the said annual general meeting.

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 2009 (the "Annual Report"), which shall be sent to the Company's shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of Code of Conduct for Securities Transactions by Directors ("Code of Conduct"), the terms of which are no less than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific inquiries to all Directors, they confirmed that they have complied with the Code of Conduct throughout the year ended 31 March 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2009.

AUDIT COMMITTEE AND REVIEW OF ACCOUNT

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the auditors of the Company. The Audit Committee comprises all three independent non-executive directors of the Company. The Audit Committee has reviewed with senior management of the Group and external auditors the accounting principles and practices adopted by the Group and reviewed the Company's consolidated financial statements for the year ended 31 March 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE") AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk under "Latest Information" and our Company's website at http://www.hkrising.com.

The printed copy of the Annual Report will be sent to shareholders of the Company and the soft copy of the Annual Report will be published on websites of both the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Thursday, 13 August 2009. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular to be sent to the Company's shareholders together with the Annual Report. Notice of the 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 dispatch to the shareholders of the Company and published on the websites of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.hkrising.com in due course.

DIRECTOR OF THE COMPANY

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

By order of the Board
Rising Development Holdings Limited
Lai Leong
Chairman

Hong Kong, 6 July 2009

* *For identification purpose only*