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 2010

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 2010 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	**2010** HK$'000	2009 HK$'000
TURNOVER	4&5	**140,970**	173,611
Cost of sales		**(131,438)**	(164,064)
Gross profit		**9,532**	9,547
Other income and net gains/(losses)	6		
– Net gain/(loss) from investments		**13,512**	(62,648)
– Others		**47,259**	167,618
Loss on disposal of investment properties		**–**	(6,250)
Impairment loss on exploration and evaluation assets		**(262,614)**	–
Impairment loss on goodwill		**(1,300)**	(1,300)
Selling and distribution expenses		**(5,045)**	(4,786)
Operating and administrative expenses		**(20,334)**	(18,984)
(LOSS)/PROFIT FROM OPERATIONS		**(218,990)**	83,197
Finance costs	7	**(29,378)**	(144,129)
LOSS BEFORE TAX	8	**(248,368)**	(60,932)
Tax	9	**65,654**	(6,112)
LOSS FOR THE YEAR		**(182,714)**	(67,044)

	Note	**2010**	2009
		HK$'000	*HK$'000*
ATTRIBUTABLE TO:			
Equity shareholders of the Company		**(142,901)**	(66,679)
Minority interests		**(39,813)**	(365)
LOSS FOR THE YEAR		**(182,714)**	(67,044)
			(restated)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	*11*		
Basic		**HK(21.77) cents**	HK(45.84) cents
Diluted		**HK(21.77) cents**	HK(45.84) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(182,714)**	(67,044)
OTHER COMPREHENSIVE INCOME		
Deferred tax on revaluation written back on disposal of properties	**–**	4,128
Exchange differences arising on translation of foreign operations	**10,151**	26,195
Realised on disposal of available-for-sale financial assets	**–**	1,291
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)	**10,151**	31,614
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(172,563)**	(35,430)
ATTRIBUTABLE TO:		
Equity shareholders of the Company	**(134,725)**	(40,266)
Minority interests	**(37,838)**	4,836
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(172,563)**	(35,430)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Note	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,862**	3,478
Available-for-sale financial assets		**7,800**	7,800
Exploration and evaluation assets		**1,549,893**	1,799,008
Goodwill		**2,591**	3,891
Convertible notes		**6,147**	–
		1,569,293	1,814,177
CURRENT ASSETS			
Inventories		**5,071**	29,934
Trade receivables	*12*	**5,679**	3
Prepayments, deposits, temporary payments and other receivables		**4,813**	5,386
Financial assets at fair value through profit or loss		**80,745**	49,959
Tax recoverable		**2,835**	2,832
Time deposits, cash and bank balances		**13,137**	27,709
		112,280	115,823
CURRENT LIABILITIES			
Trade payables	*14*	**300**	62
Customers' deposits		**1,580**	2,161
Other payables and accruals		**4,226**	5,743
Tax payable		**590**	590
		6,696	8,556
NET CURRENT ASSETS		**105,584**	107,267
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,674,877**	1,921,444
NON-CURRENT LIABILITIES			
Convertible notes		**–**	756,278
Deferred tax liabilities		**385,357**	447,733
		385,357	1,204,011
NET ASSETS		**1,289,520**	717,433
CAPITAL AND RESERVES			
Share capital		**13,862**	72,726
Reserves		**1,043,543**	374,754
Total equity attributable to equity shareholders of the Company		**1,057,405**	447,480
Minority interests		**232,115**	269,953
TOTAL EQUITY		**1,289,520**	717,433

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CONSOLIDATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010. Adjustments are made to bring into line any dissimilar accounting policies that may exist. 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 income, expenses and unrealized gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2. CHANGES IN ACCOUNTING POLICIES

During the year, the Group adopted the following significant standards and amendments to standards:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First Time Adoption of HKFRS* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendments of Appendix to HKAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers (adopted from 1 July 2009)*
Improvements to HKFRSs (October 2008)**	*Amendments to a number of HKFRSs*

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*, which is effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised), amendments to HKFRS 7 and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

Amendments to HKFRS 7 "Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments" require the most significant additional disclosures in the consolidated financial statements include tables of fair value measurements disclosing the source of inputs using a three level fair value hierarchy, and reconciliations of the movements between opening and closing balances of Level 3 financial instruments, being those measured at fair value using a valuation technique with significant unobservable inputs. The fair value measurement disclosures are presented in note to the financial statements.

HKFRS 8, which replaces HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information abut the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standards also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. These revised disclosures, including the related revised comparative information, are shown in note 4 to this announcement.

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2010

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 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*[1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*[2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited exemption from comparative HKFRS 7 Disclosures for First-time Adopters*[4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-base Payment – Group Cash-settled Share-based payment Transactions*[2]
HKFRS 3 (Revised)	*Business Combinations*[1]
HKFRS 9	*Financial Instruments*[6]
HKAS 24 (Revised)	*Related Party Disclosures*[5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*[3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[1]
HK(IFRIC)-Int 14 Amendments	Amendment to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a Subsidiary*[1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*[2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* and *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. For improvements to HKFRSs 2009, the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010. For improvements to HKFRSs 2010, the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) – 13 are effective for annual periods beginning on or after 1 January 2010 while the amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010. There are separate transitional provisions for each standard or interpretation listed above.

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that except for the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer of the Group (the "CODM") that makes strategic decisions. The CODM organizes the business units based on their products and services, and has reportable operating segments as follows:

(a) Trading in securities comprise proceeds from trading in listed securities and investment income from listed securities.

(b) Investments comprise dividend and interest income from investments and gain or loss on investments other than securities.

(c) Manufacture and sale of fur garments.

(d) Trading of fur skins.

(e) Mine exploration.

(f) Others comprise the Group's management services business, which provide management services to Group companies.

The CODM monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs as well as corporate expenses are excluded from such measurement.

Segment assets consist primarily of property, plant and equipment, exploration and evaluation assets, intangible assets, inventories and trade and other receivables. Unallocated assets comprise current income tax recoverable, available-for-sale financial assets, convertible notes and cash and cash equivalents.

Segment liabilities consist primarily of trade and other payables and other non-current liabilities. Unallocated liabilities comprise deferred tax liabilities, current income tax liabilities, borrowings and convertible notes.

Capital expenditure comprises additions to property, plant and equipment.

Inter-segment transactions are on arm's length basis in a manner similar to transactions with third parties.

(a) **Operating segment information:**

For the year ended 31 March 2010

	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*	Consolidated *HK$'000*
Segment revenue:							
Sales to external customers	109,165	–	6,405	25,400	–	–	140,970
Intersegment sales	–	–	3,669	4,052	–	–	7,721
Reportable segment revenue	109,165	–	10,074	29,452	–	–	148,691
Elimination of inter-segment sales							(7,721)
Consolidated revenue							140,970
Segment results	30,774	(1,083)	(13,113)	(9,691)	(264,721)	(88)	(257,922)
Reconciliation:							
Interest income							11
Change in fair value of derivative components embedded in convertible notes							47,153
Unallocated corporate expenses							(8,232)
Loss from operating activities							(218,990)
Finance costs							(29,378)
Loss before tax							(248,368)
Tax							65,654
Loss for the year							(182,714)
Other segment information:							
Depreciation	–	(5)	(765)	(52)	(22)	(120)	(964)
Capital expenditure	–	–	(320)	–	(4)	–	(324)
Unrealised gain on investments in financial assets at fair value through profit or loss	11,687	–	–	–	–	–	11,687
Impairment loss on goodwill	–	–	(1,300)	–	–	–	(1,300)
Impairment loss on exploration and evaluation assets	–	–	–	–	(262,614)	–	(262,614)

For the year ended 31 March 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*	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
Reportable segment revenue	19,200	–	13,832	152,771	–	–	185,803
Elimination of inter-segment sales							(12,192)
Consolidated revenue							173,611
Segment results	(53,961)	(2,331)	(9,432)	(881)	15,997	(7,278)	(57,886)
Reconciliation:							
Interest income							216
Change in fair value of derivative components embedded in convertible notes							149,184
Unallocated corporate expenses							(8,317)
Profit from operating activities							83,197
Finance costs							(144,129)
Loss before tax							(60,932)
Tax							(6,112)
Loss for the year							(67,044)
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)
Impairment loss on goodwill	–	–	(1,300)	–	–	–	(1,300)

(b) **The segment assets and liabilities at the end of the reporting period are as follows:**

As at 31 March 2010

	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*	Consolidated *HK$'000*
Reportable segment assets	80,745	1,662	16,341	20,992	1,550,557	55,909	1,726,206
Elimination of inter-segment receivables							(74,552)
							1,651,654
Unallocated assets:							
Available-for-sale financial assets							7,800
Cash and cash equivalents							13,137
Tax recoverable							2,835
Convertible notes							6,147
Total assets per consolidated statement of financial position							1,681,573
Reportable segment liabilities	–	(7,122)	(33,679)	(27,052)	(5,203)	(7,602)	(80,658)
Elimination of inter-segment payables							74,552
							(6,106)
Unallocated liabilities:							
Deferred tax liabilities							(385,357)
Tax payable							(590)
Total liabilities per consolidated statement of financial position							(392,053)
Additions to non-current segment assets during the year	–	–	320	–	330	–	650

As at 31 March 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*	Consolidated *HK$'000*
Reportable segment assets	49,959	346	24,998	33,093	1,799,850	54,082	1,962,328
Elimination of inter-segment receivables							(70,669)
							1,891,659
Unallocated assets:							
Available-for-sale financial assets							7,800
Cash and cash equivalents							27,709
Tax recoverable							2,832
Convertible notes							–
Total assets per consolidated statement of financial position							1,930,000
Reportable segment liabilities	–	(8,167)	(27,175)	(30,356)	(2,390)	(10,547)	(78,635)
Elimination of inter-segment payables							70,669
							(7,966)
Unallocated liabilities:							
Deferred tax liabilities							(447,733)
Convertible notes							(756,278)
Tax payable							(590)
Total liabilities per consolidated statement of financial position							(1,212,567)
Additions to non-current segment assets during the year	–	–	839	–	1,764,417	601	1,765,857

(c) Geographical information:

(i) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong and mainland China. Revenue by geographical location is determined on the basis of the locations of stock exchanges for sales of listed securities and the services provided, as well as the destination of the goods delivered.

The following table provides an analysis of the Group's revenue by geographical location:

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**112,796**	23,699
Mainland China	**25,401**	146,608
Other countries	**2,773**	3,304
Total revenue	**140,970**	173,611

(ii) Non-current assets

The non-current assets information is based on the location of assets and excludes financial instruments.

The following table provides an analysis of the Group's non-current assets by geographical location:

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**1,282**	1,836
Mainland China	**1,550,745**	1,800,048
Other countries	**3,319**	4,493
	1,555,346	1,806,377

5. TURNOVER

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

	2010	2009
	HK$'000	*HK$'000*
Turnover		
Sales of fur skins and fur garments	**31,805**	154,411
Proceeds from trading in listed financial assets at fair value through profit or loss	**109,165**	19,200
	140,970	173,611

6. OTHER INCOME AND NET GAINS/(LOSSES)

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

	2010	2009
	HK$'000	*HK$'000*
Other income and net gains/(losses)		
Net gain/(loss) from investments:		
Interest income from investments in listed available-for-sale financial assets	**–**	414
Dividend income from unlisted available-for-sale financial assets	**1,186**	–
Dividend income from listed financial assets at fair value through profit or loss	**639**	50
Net realised loss on investments in listed available-for-sale financial assets	**–**	(713)
Transfer from equity upon disposal of listed available-for-sale financial assets	**–**	(1,291)
Unrealised gain/(loss) on investments in listed financial assets at fair value through profit or loss	**11,687**	(61,108)
	13,512	(62,648)
Others:		
Gain on disposals of property, plant and equipment	**–**	150
Gross rental income	**–**	36
Bank interest income	**10**	129
Other interest income	**1**	87
Excess over the cost of a business combination	**–**	17,823
Fair value change on derivative components embedded in convertible notes	**47,153**	149,184
Others	**95**	209
	47,259	167,618
	60,771	104,970

7. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Imputed interest expenses on convertible notes	**29,378**	143,139
Interest on trust receipt loans	**–**	990
Total finance costs	**29,378**	144,129

8. LOSS BEFORE TAX

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

	2010	2009
	HK$'000	*HK$'000*
Cost of inventories sold	**131,438**	164,064
Depreciation	**964**	815
Minimum lease payments under operating lease on land and buildings	**3,547**	2,988
Pension contributions	**207**	187
Auditor's remuneration		
– audit services	**395**	380
– other services	**120**	120
	515	500
Staff costs (excluding directors' remuneration)	**6,389**	5,207
Gross rental income	**–**	(36)
Less: outgoings	**–**	42
Net rental expense	**–**	6
Provision for obsolete inventories written off/(written back)	**11,844**	(877)
Loss on disposal of property, plant and equipment	**–**	104
Exchange loss	**1**	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 2010 and 31 March 2009. 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.

	2010	2009
	HK$'000	*HK$'000*
Tax represents income tax credit/(expense) as follows:		
Deferred tax		
– current year	**65,654**	(6,112)

10. FINAL DIVIDEND

As a prudent measure to overcome the more and more unpredictable difficulties and challenges in the coming year, the board of directors does not recommend the payment of a final dividend for the year ended 31 March 2010 (2009: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share amount for the year ended 31 March 2010 is calculated by dividing the loss for the year attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue for year and have been adjusted as a result of the Company's share consolidation as appropriate. Basic loss per share amount for the year ended 31 March 2009 was adjusted and restated for the Company's share consolidation occurring in April 2009. This share consolidation does not affect the amount of capital used to produce the profit or loss for both years.

	2010	2009 (restated)
Loss for the year attributable to equity holders of the Company *(HK$'000)*	**(142,901)**	(66,679)
Weighted average number of ordinary shares in issue *(thousands)*	**656,408**	145,454
Basic loss per share *(HK cents per share)*	**(21.77) cents**	(45.84) cents

(b) Diluted loss per share

Diluted loss per share amounts for the years ended 31 March 2010 and 31 March 2009 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 reporting date based on the invoice date is as follows:

	2010		2009	
	HK$'000	*%*	*HK$'000*	*%*
Current to 30 days	**4,548**	**80**	1	33
31 days to 60 days	**–**	**–**	–	–
Over 60 days	**1,131**	**20**	2	67
	5,679	**100**	3	100

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.

At 31 March 2010 and 31 March 2009, there were no impairment losses in respect of trade receivables.

13. BANKING FACILITIES

At 31 March 2010, the Group did not obtain any banking facilities. At 31 March 2009, the Group's banking facilities were supported by a corporate guarantee given by the company.

14. TRADE PAYABLES

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

	2010		2009	
	HK$'000	*%*	*HK$'000*	*%*
Current to 30 days	**226**	**75**	59	95
31 days to 60 days	**–**	**–**	2	3
Over 60 days	**74**	**25**	1	2
	300	**100**	62	100

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

During the year under review, the Group recorded a turnover of HK$140,970,000 (2009: HK$173,611,000), representing a decrease of 19% as compared to that of last year. The decrease in turnover was mainly due to significant drop in the business of trading of fur skins. The net loss attribute to equity shareholders of the Company for the current year amounted to HK$142,901,000 as compared to a net loss of HK$66,679,000 last year, resulting in a basic loss per share this year of HK21.77 cents (2009: basic loss per share of HK45.84 cents (restated)). The loss was mainly due to impairment loss of mining business which requires current market valuation each year on the vanadium mine, valuation was RMB1,350,000,000 (equivalent to HK$1,541,430,000) at 31 March 2010 as compared to its carrying amount of RMB1,580,000,000 (equivalent to HK$1,790,930,000) at 31 March 2009, resulted in a loss after tax of HK$157,568,000 for the year attributable to the equity shareholders of the Company.

Turnover by Business Segments

Ratio analysis by business segments for the Group's turnover for the year ended 31 March 2010 is as follows:

- Trading in securities: approximately HK$109,165,000, 77% of turnover (2009: HK$19,200,000, 11%)

- Fur skin trading: approximately HK$25,400,000, 18% of turnover (2009: HK$146,595,000, 84%)

- Manufacture and sale of fur garments: approximately HK$6,405,000, 5% of turnover (2009: HK$7,816,000, 5%)

Turnover by Geographical Region

Ratio analysis by geographical region for the Group's turnover for the year ended 31 March 2010 is as follows:

- Hong Kong: approximately HK$112,796,000, 80% of turnover (2009: HK$23,699,000, 14%)

- Mainland China: approximately HK$25,401,000, 18% of turnover (2009: HK$146,608,000, 84%)

- Other regions: approximately HK$2,773,000, 2% of turnover (2009: HK$3,304,000, 2%)

INVESTMENT BUSINESS

Trading in securities

During the year, turnover from trading in securities was HK$109,165,000, representing an increase of 469% compared with the corresponding period last year of HK$19,200,000. Profit of HK$30,774,000 was recorded from this sector during the year as compared with the corresponding period last year of loss HK$53,961,000.

FUR BUSINESS

Trading of fur skins

Due to the economic meltdown in the year of 2009 and the credit crisis ripples around the globe this year's skin trading turnover was HK$25,400,000, representing a 83% decrease compared with the corresponding period last year of HK$146,595,000. Loss of HK$9,691,000 was recorded, a 1,000% increase from this sector during the year as compared with the corresponding period last year of loss HK$881,000.

Manufacture and sales of fur garments

The turnover of garment manufacture and sales during the year was HK$6,405,000, representing 18% decrease compared with the corresponding period last year of HK$7,816,000. After a marked divergence in growth between different markets in 2009, the Group's Paris retail business was hit hard by the financial turmoil which resulted in the loss from garment manufacture and sales was HK$13,113,000, an increase of 39% during the year as compared with the corresponding period last year of loss HK$9,432,000.

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, investment atmosphere is quite misty. Ahead are uncertainty given rise by the European Crisis and sovereignty risks. However, low interest rate and relatively loose monetary supply create positive investment environment for investors. The Group will actively but prudently explore investment opportunities under this economic transition period.

Fur Business

Trading of fur skins

The strong pelts demand from the markets starts from the beginning of the year. And the continuing expansion of the Chinese domestic market and the economic recovery in Russia and South Korea (even if the U.S. and other traditional markets remain stagnant) has put us in a position where we would not rule out further increases in the mink price. Market veterans even predict that there will be a quick disposal of this year's pelts at next year's auctions and private sales. Meanwhile, pelt prices have rebounded with gusto from the depressed prices of last year, prices advanced 40%–50% mainly due to China's enormous appetite. The Group will brace its stance for not expanding its fur skin trading business as it is an inappropriate time to enter at the market high.

Manufacture and sales of fur garment

Fur fashion has always played an important role in popular fashion for its practical function, and fur has proven to be a durable, reliable, universal, and timeless material for clothes. The role of fur products will be the main direction of the Group's development. Although the current prices is likely to overdraft, reducing tariffs in Russia this year has greatly inspired the Chinese and other fur producing countries.

Based on China National Bureau of Statistics data released in July this year, China's producer price (PPI) rose by 10%, a record high since 1996. This is the first PPI to achieve double-digit gains which means Chinese fur production costs and consumer price index will be a lot higher than last year. But the complexity of the Chinese economy this year and the growing faith in the luxury markets decided the Chinese fur sales have satisfactory. The Group will continue strengthening its brand "Frede Derick" in China through cooperating with its strategic partners and also efficiently minimize the production costs. As Russians are coming back into the market, it is encouraging news for the Group's retail shop in Paris and for its brand "Lecothia". The Group will continue to develop high-end collection to cater for the demand of Russian tourist and the shoppers from all over the world.

Vanadium Mine Business

The group is looking for opportunity to seek new partners and techniques to refine the mining method. Profit margin remains low as the metal price is still at a comparatively low level, new low cost technique for increasing profit margin is required. Ground and technical works preparing for the extracting of the mine were carried out during the year and more works have to be done this year for preparing of the extraction and refining of metals.

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 2010, the Group had cash and bank balances of approximately HK$13,137,000 (2009: HK$27,709,000). As at 31 March 2010, the Group's interest bearing bank and other borrowings (including convertibles notes) amounted to approximately HK$Nil (2009: HK$756,278,000). Shareholders' funds amounted to approximately HK$1,289,520,000 (2009: HK$717,433,000). Accordingly, the gearing ratio (as calculated in note to the financial statements) was Nil (2009: 1.02).

CAPITAL STRUCTURE

(I) During the year ended 31 March 2009, the Company issued convertible notes (the "11 April 2008 convertible notes") with a nominal value of HK$837,000,000 to three independent vendors as part of consideration for acquiring 80% interest in Shanxi Jiuquan Mining Company Limited. The 11 April 2008 convertible notes bear interest at 1% per annum with a maturity date on 10 April 2011. The holders of the 11 April 2008 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.

During the year ended 31 March 2010, the Company entered into a deed of settlement dated 24 June 2009 with the holders of the 11 April 2008 convertible notes that the Company issued 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 new convertible notes were issued on 24 June 2009. The notes bear no interest with a maturity date on 23 June 2012. The conversion price of the new convertible notes is HK$0.6 per share.

During the year ended 31 March 2010, total principal of HK$744,465,000 were converted into 1,240,775,000 new ordinary shares of the Company of HK$0.01 each. Outstanding principal amounts of the convertible notes as at 31 March 2010 were HK$465,000.

(II) On 3 April 2009, the shareholders approved the following changes to the capital of the Company:

(a) share consolidation: that every twenty-five issued shares of HK$0.02 each in the share capital of the Company (the "Shares") be consolidated into one share of HK$0.5 (the "Consolidated Share"); and

(b) capital reduction: that (a) the paid-up capital of each Consolidated Share be 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 (the "Reorganised Share") and (b) the amount of credit arising from capital reduction be credited to contributed surplus account of the Company; and

(c) share subdivision: that each of the authorized but unissued shares of HK$0.02 be sub-divided into two Reorganised Shares of HK$0.01 each.

The above changes became effective on 6 April 2009.

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

	2010	2009
Euro	**EUR 101,292**	EUR 139,230
United States dollars	**USD 47,024**	USD78,323
Renminbi	**RMB 618,695**	RMB2,246,889

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 as at the reporting dates was as follows:

	2010	2009
	HK$'000	*HK$'000*
Total borrowings		
Convertible notes	**–**	756,278
Less: time deposits, cash and bank balances	**13,137**	27,709
Net debt	**(13,137)**	728,569
Total equity	**1,289,520**	717,433
Gearing ratio	**Nil**	1.02

CHARGES ON ASSETS

At 31 March 2010, the Group did not obtain any banking facilities. At 31 March 2009, the Group's banking facilities were supported by a corporate guarantee given by the Company.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS

During the year ended 31 March 2009, the Company and a wholly owned subsidiary of the Company, Perfect Fair Limited acquired 80% interest in Shanxi Jiuquan Mining Company Limited through acquiring Oriental Harvest Development Limited ("Oriental Harvest Group") 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 during the year ended 31 March 2009.

At 24 June 2009, the Company entered into deeds of settlement with the holders of the convertible notes that the Company issued to the old convertible notes 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 2010, the Group employed around 31 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 2010.

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 2010 (2009: Nil).

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.

From 1 April 2009 and up to 15 March 2010, Mr. Lai Leong has taken up both the roles of the Chairman of the Board and Chief Executive Officer of the Company. Starting from 15 March 2010, the Company re-designated Mr. Lee Yuk Lun from Deputy Chairman to Chairman of the Board and Chief Executive Officer of the Company.

Though this 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. Lee Yuk Lun and Mr. Lai Leong 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.

The Board shall review its structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

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 A.4.2 of the CG Code

This code provision stipulates that requires every director, including those appointed for a specific term, to be subject to retirement by rotation at least once every three years. Pursuant to the Bye-laws, all directors excluding the Chairman of the Board, shall retire from office by rotation at least once every three years. The Board considers that, though there is a deviation from the code provision A.4.2 of the CG Code, the aforementioned provision in the Bye-laws is appropriate to the Company since the continuous leadership by the Chairman of the Board allows for effective and efficient planning and implementation of business decisions and strategies which is significant for stability and growth of the Group.

Code Provision E.1.2 of the CG Code

This code provision stipulates that the Chairman should attend the annual general meeting. Mr. Lai Leong, the then Chairman of the Board, was unable to attend the Company's 2009 annual general meeting as he had another important business engagement. Despite his absence, he had arranged for Mr. Lee Yuk Lun, the then 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 2010 (the "Annual Report"), which shall be sent to the Company's shareholders in due course.

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 2010.

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 2010.

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 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBITES 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 30 August 2010. 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 is taking all their efforts to turn the Group back to profit situation as its main task. I would like to express my sincere thanks to all our shareholders, investors, bankers, business associates and customers for their supports to the Group and to all our directors, senior management and staff for the contributions.

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.

DIRECTORS OF THE COMPANY

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
Lee Yuk Lun
Chairman

Hong Kong, 23 July 2010

* *For identification purpose only*