RISING DEVELOPMENT HOLDINGS LIMITED
（麗盛集團控股有限公司）*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1004))

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The Board of Directors (the "Directors") of Rising Development Holdings Limited (the "Company") hereby announce the unaudited condensed interim consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2011 together with the comparative figures for the corresponding period in 2010. These condensed interim consolidated financial statements have not been audited but have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Note	(Unaudited) Six months ended 30 September 2011 HK$'000	2010 HK$'000
TURNOVER	3	**56,912**	87,051
Cost of sales		**(53,104)**	(91,728)
Gross profit/(losses)		**3,808**	(4,677)
Other income and net losses			
– Net losses from investments	4	**(15,308)**	(13,437)
– Others	4	**(8,023)**	(21,850)
Impairment loss on exploration and evaluation assets		**(225,330)**	(34,959)
Impairment loss on goodwill		**(650)**	(650)
Selling and distribution expenses		**(2,535)**	(1,505)
Operating and administrative expenses		**(10,582)**	(9,636)
LOSS FROM OPERATING ACTIVITIES		**(258,620)**	(86,714)
Finance costs	5	**(1,280)**	(1,106)
LOSS BEFORE TAX	6	**(259,900)**	(87,820)
Tax	7	**56,333**	8,740
LOSS FOR THE PERIOD		**(203,567)**	(79,080)
ATTRIBUTABLE TO:			
Equity holders of the Company		**(169,535)**	(73,645)
Non-controlling interests		**(34,032)**	(5,435)
LOSS FOR THE PERIOD		**(203,567)**	(79,080)
PROPOSED INTERIM DIVIDEND	8	**–**	–
LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	9		
Basic		**HK(12.23)cents**	HK(5.31)cents
Diluted		**HK(12.23)cents**	HK(5.31)cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	(Unaudited) Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(203,567)**	(79,080)
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**30,350**	22,794
Other comprehensive income for the period	**30,350**	22,794
Total comprehensive loss for the period	**(173,217)**	(56,286)
Attributable to:		
Equity holders of the Company	**(145,226)**	(55,355)
Non-controlling interests	**(27,991)**	(931)
	(173,217)	(56,286)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011 AND 31 MARCH 2011

	Note	(Unaudited) 30 September 2011 HK$'000	(Audited) 31 March 2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**2,548**	2,618
Available-for-sale financial assets	11	**7,800**	7,800
Exploration and evaluation assets	12	**1,377,145**	1,561,824
Goodwill		**641**	1,291
Convertible notes		**123**	398
		1,388,257	1,573,931
CURRENT ASSETS			
Inventories		**3,694**	2,005
Trade receivables	13	**855**	1,633
Prepayments, deposits, temporary payments and other receivables		**6,089**	4,282
Financial assets at fair value through profit or loss	14	**22,573**	38,033
Tax recoverable		**2,831**	2,831
Time deposits, cash and bank balances		**6,626**	18,920
		42,668	67,704
CURRENT LIABILITIES			
Trade payables	15	**43**	43
Customers' deposits		**1,525**	1,613
Other payables and accruals		**3,960**	3,956
Convertible notes		**42,628**	33,584
Tax payable		**590**	676
		48,746	39,872
NET CURRENT (LIABILITIES)/ASSETS		**(6,078)**	27,832
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,382,179**	1,601,763
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**341,649**	388,016
NET ASSETS		**1,040,530**	1,213,747
CAPITAL AND RESERVES			
Share capital		**13,862**	13,862
Reserves		**821,257**	966,483
Equity attributable to equity holders of the Company		**835,119**	980,345
Non-controlling interests		**205,411**	233,402
TOTAL EQUITY		**1,040,530**	1,213,747

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 March 2011.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those of the Group's annual financial statements for the year ended 31 March 2011.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") Issued by the HKICPA

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards-Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Amendment to HKAS 32 Financial Instruments: Presentation-Classification of Rights Issues
HK(IFRIC)-Int 14 (Amendments)	Amendments to HK(IFRIC)- Int 14 Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

Apart from the above, the Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effect for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

The adoption of these new and revised 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.

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

HKAS 1 (Revised)	HKAS 1 (Revised) Presentation of Financial Statements[3]
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Severe 'Hyperinflation and Removal of Fixed Dates for First-time Adoptors[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures-Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS11	Joint Arrangements[4]
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes-Deferred Tax: Recovery of Underlying Assets[2]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HKAS 31	Interests in Joint Venture[4]
HK(SIC)-Int 12	Consolidation-Special Purpose Entities[4]
HK(SIC)-Int 13	Jointly Controlled Entities-Non-Monetary Contributions by Venturers[4]

[1] Effective for annual periods beginning on or after 1 July 2011.

[2] Effective for annual periods beginning on or after 1 January 2012.

[3] Effective for annual periods beginning on or after 1 July 2012.

[4] Effective for annual periods beginning on or after 1 January 2013.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. HKFRS 8 replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of HKFRS 8 did not have any effect on the Group's results of operations or financial position.

The Group determines that in accordance with HKFRS 8, there are six business reportable segments which are Trading in securities, Investments, Trading and sales of fur garments, Trading of fur skins, Mine and Others.

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

(a) Operation segments information:

	(Unaudited) 6 months ended 30 September 2011						
	Trading in securities *HK$'000*	**Investments** *HK$'000*	**Trading and sales 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	**52,985**	**–**	**3,900**	**27**	**–**	**–**	**56,912**
Intersegment sales	**–**	**–**	**708**	**277**	**–**	**–**	**985**
Reportable segment revenue	**52,985**	**–**	**4,608**	**304**	**–**	**–**	**57,897**
Elimination of inter-segment sales							**(985)**
Consolidated revenue							**56,912**
Segment results	**(16,735)**	**(205)**	**(2,077)**	**171**	**(226,497)**	**(1,168)**	**(246,511)**
Reconciliation:							
Interest income							**2**
Change in fair value of derivative components embedded in convertible notes							**(8,038)**
Unallocated corporate expenses							**(4,073)**
Loss from operating activities							**(258,620)**
Finance costs							**(1,280)**
Loss before tax							**(259,900)**
Tax							**56,333**
Loss for the period							**(203,567)**

	(Unaudited) 6 months ended 30 September 2010						
	Trading in securities *HK$'000*	Investments *HK$'000*	Trading and sales 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	73,529	–	2,436	11,086	–	–	87,051
Intersegment sales	–	–	1,746	–	–	–	1,746
Reportable segment revenue	73,529	–	4,182	11,086	–	–	88,797
Elimination of inter-segment sales							(1,746)
Consolidated revenue							87,051
Segment results	(19,984)	(1,101)	(4,118)	148	(35,918)	(835)	(61,808)
Reconciliation:							
Interest income							2
Change in fair value of derivative components embedded in convertible notes							(21,900)
Unallocated corporate expenses							(3,008)
Loss from operating activities							(86,714)
Finance costs							(1,106)
Loss before tax							(87,820)
Tax							8,740
Loss for the period							(79,080)

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

	(Unaudited) As at 30 September 2011						
	Trading in securities	**Investments**	**Trading and sales of fur garments**	**Trading of fur skins**	**Mine**	**Others**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	**22,573**	**1,749**	**12,804**	**16,459**	**1,378,560**	**54,647**	**1,486,792**
Elimination of inter-segment receivables							**(73,247)**
							1,413,545
Unallocated assets:							
Available-for-sale financial assets							**7,800**
Cash and cash equivalents							**6,626**
Tax recoverable							**2,831**
Convertible notes							**123**
Total assets per consolidated statement of financial position							**1,430,925**
Reportable segment Liabilities	**–**	**(3,632)**	**(35,740)**	**(23,645)**	**(10,480)**	**(5,278)**	**(78,775)**
Elimination of inter-segment payables							**73,247**
							(5,528)
Unallocated liabilities:							
Convertible notes							**(42,628)**
Deferred tax liabilities							**(341,649)**
Tax payable							**(590)**
Total liabilities per consolidated statement of financial position							**(390,395)**
Additions to non-current segment assets during the period	**–**	**–**	**195**	**–**	**563**	**–**	**758**

	(Audited) As at 31 March 2011						
	Trading in securities *HK$'000*	Investments *HK$'000*	Trading and sales of fur garments *HK$'000*	Trading of fur skins *HK$'000*	Mine *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Reportable segment assets	38,033	1,643	10,566	15,395	1,563,062	58,171	1,686,870
Elimination of inter-segment receivables							(75,184)
							1,611,686
Unallocated assets:							
Available-for-sale financial assets							7,800
Cash and cash equivalents							18,920
Tax recoverable							2,831
Convertible notes							398
Total assets per consolidated statement of financial position							1,641,635
Reportable segment Liabilities	–	(7,389)	(33,419)	(27,027)	(8,391)	(4,570)	(80,796)
Elimination of inter-segment payables							75,184
							(5,612)
Unallocated liabilities:							
Convertible notes							(33,584)
Deferred tax liabilities							(388,016)
Tax payable							(676)
Total liabilities per consolidated statement of financial position							(427,888)
Additions to non-current segment assets during the year	–	–	158	2	1,533	–	1,693

(c) **Geographical information:**

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:

	(Unaudited) 6 months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**56,444**	75,821
Mainland China	**–**	11,095
Other countries	**468**	135
Total revenue	**56,912**	87,051

4. OTHER INCOME AND NET LOSSES

	(Unaudited) 6 months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Other income and net losses:		
Net loss from investments:		
Interest income from investments in available-for-sale financial assets	**1,248**	–
Dividend income from financial assets at fair value through profit or loss	**137**	675
Unrealised loss on investments in financial assets at fair value through profit or loss	**(16,693)**	(14,112)
	(15,308)	(13,437)
Others:		
Bank interest income	**2**	2
Exchange gain	**–**	38
Others	**13**	10
Fair value change on derivative components embedded in convertible notes	**(8,038)**	(21,900)
	(8,023)	(21,850)
	(23,331)	(35,287)

5. FINANCE COSTS

	(Unaudited) 6 months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Imputed interest expenses on convertible notes	**1,280**	1,106

6. LOSS BEFORE TAX

	(Unaudited) 6 months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Charging		
Cost of inventories and trading securities sold	**53,104**	91,728
Depreciation	**288**	465
Operating lease rentals on lands and buildings	**1,535**	1,413
Staff costs (including directors' remuneration)	**5,922**	4,688

7. 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 periods ended 30 September 2011 and 30 September 2010. 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.

	(Unaudited) 6 months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Tax represents income tax credit as follows:		
Deferred tax	**56,333**	8,740

8. PROPOSED INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2011 (2010: Nil).

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

The calculation of the basic loss per share amount for the period is based on the Group's loss attributable to equity holders of the Company of HK$169,535,000 (2010: loss of HK$73,645,000). The basic loss per share is based on the weighted average of 1,386,228,600 (2010: 1,386,228,600) ordinary shares in issue during the period.

Diluted loss per share amounts for the six months ended 30 September 2011 and 2010 are the same as the basic loss per share, as the convertible notes outstanding during these periods had an anti-dilutive effect on the basic loss per share for these periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2011, the Group acquired items of property, plant and equipment with cost of HK$221,000 (year ended 31 March 2011: HK$733,000) and disposed items of property, plant and equipment of HK$Nil (year ended 31 March 2011: HK$18,000)

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	(Unaudited) 30 September 2011	(Audited) 31 March 2011
	HK$'000	*HK$'000*
At Cost:		
Equity securities unlisted outside Hong Kong	**7,800**	7,800

At the end of reporting period, the above unlisted equity investments are not stated at fair value but at cost less any impairment loss because they do not have a quoted market price in an active market and the fair value cannot be reliably measured.

12. EXPLORATION AND EVALUATION ASSETS

	Exploration rights	**Evaluation expenditure**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Balance at 1 April 2009 (Audited)	1,790,930	8,078	1,799,008
Exchange adjustment	13,114	59	13,173
Additions during the year	–	326	326
Impairment loss	(262,614)	–	(262,614)
Balance at 31 March 2010 and 1 April 2010 (Audited)	1,541,430	8,463	1,549,893
Exchange adjustment	61,695	339	62,034
Additions during the year	–	960	960
Impairment loss	(51,063)	–	(51,063)
Balance at 31 March 2011 and 1 April 2011 (Audited)	1,552,062	9,762	1,561,824
Exchange adjustment	39,864	251	40,115
Additions during the period	–	536	536
Impairment loss	(225,330)	–	(225,330)
Balance at 30 September 2011 (Unaudited)	1,366,596	10,549	1,377,145

The exploration rights represent the carrying amount of the rights for mining, exploration and exploitation in a vanadium mine located in Shanxi, PRC. The exploitation licence of the mine has been granted for 3 years and is renewable on an ongoing basis.

As at 30 September 2011, the management has engaged an independent professional valuer, BMI Appraisals Limited, to carry out a valuation on the exploration rights for the purposes of an impairment review on the exploration rights. Based on the report of this valuer, the management considers that the exploration and evaluation assets should be impaired as the carrying amount of exploration and evaluation assets exceeds its estimated recoverable amount at 30 September 2011. Accordingly, an impairment loss of HK$225,330,000 was recognized in consolidated income statement for the six months ended 30 September 2011.

As at 31 March 2011, the management has engaged an independent professional valuer, BMI Appraisals Limited, to carry out a valuation on the exploration rights for the purposes of an impairment review on the exploration rights. Based on the report of this valuer, the management considers that the exploration and evaluation assets should be impaired as the carrying amount of exploration and evaluation assets exceeds its estimated recoverable amount at 31 March 2011. Accordingly an impairment loss of HK$51,063,000 (2010: HK$262,614,000) was recognized in consolidated income statement for the year ended 31 March 2011.

13. 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 end of reporting period based on the invoice date is as follows:

	(Unaudited) 30 September 2011		(Audited) 31 March 2011	
	HK$'000	***%***	*HK$'000*	*%*
Current to 30 days	**167**	**20**	160	10
31 days to 60 days	**166**	**19**	240	15
Over 60 days	**522**	**61**	1,233	75
	855	**100**	1,633	100

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2011	(Audited) 31 March 2011
	HK$'000	*HK$'000*
At fair value:		
Equity securities listed in Hong Kong	**22,573**	38,033

15. TRADE PAYABLES

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

	(Unaudited) 30 September 2011		(Audited) 31 March 2011	
	HK$'000	***%***	*HK$'000*	*%*
Current to 30 days	**–**	**–**	–	–
31 days to 60 days	**–**	**–**	–	–
Over 60 days	**43**	**100**	43	100
	43	**100**	43	100

16. BANKING FACILITIES/CONTINGENT LIABILITIES

At 30 September 2011 and 31 March 2011, the Group did not have any significant contingent liabilities.

At 30 September 2011 and 31 March 2011, the Group had no bank borrowings.

17. SUBSEQUENT EVENTS

1) On 3 October 2011, the Company entered into the placing agreement with the placing agent, pursuant to which the placing agent agreed to procure the placees for the three-year 5% coupon convertible notes with the principal amount of HK$100,000,000 which will be placed on a fully underwritten basis. The placing of convertible notes was completed at 12 October 2011.

2) On 14 October 2011, the Company to repay the outstanding amount HK$43,200,000 of the convertible notes in full.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the first six months, the Group's turnover was HK$56,912,000 (2010: HK$87,051,000), a decrease of 34.6% compared to the corresponding period last year. The net loss attributable to equity shareholders of the company was HK$169,535,000 as compared to a net loss of HK$73,645,000 for the last corresponding period, resulting in a basic loss of HK12.23 cents per share for the current period (2010: a basic loss of HK5.31 cents per share)

OPERATION REVIEW

The major source of revenue of the Group for the first half-year were trading in securities, the trading and sales of fur garment, the trading of fur skins and business of mining natural resources.

Investment Business

Trading in Securities

The decrease in the Group's total turnover for the first half of the year was partly due to decrease in the turnover in trading in securities. During the period, the turnover in trading in securities was HK$52,985,000 as compared to that of HK$73,529,000 of the corresponding period last year, representing a decrease in securities turnover by 27.9% compared to that of last year. Loss during the period was HK$16,735,000, representing a decrease of 16.3% compared with the corresponding period last year of loss of HK$19,984,000.

Investments

The Group's turnover in investment was nil during the period and was the same nil for the corresponding period last year. Loss from investment during the period was HK$205,000 compared to that of HK$1,101,000 of the corresponding period last year, representing a decrease in loss by 81.4%, the loss was mainly due to operating expenses.

Business of Mining Natural Resources

The mining business of the Group had not started contributing revenue during the period under review, revenue was the same nil for corresponding period last year. However, a loss of HK$226,497,000 was recorded in this sector, compared to a loss of HK$35,918,000 in the corresponding period last year, representing an increase in loss by 530.6%. The loss was mainly due to an impairment loss incurred on exploration and evaluation assets during the period.

Fur Business

Fur Skin Trading

The turnover in trading of fur skins for the first half year was HK$27,000, representing a decrease by 99.8% compared to that of HK$11,086,000 in the corresponding period last year. A profit of HK$171,000 was recorded, an increased by 15.5% compared to that of profit of HK$148,000 in the corresponding period last year. The reasons of the significant drop in turnover were auction prices of the raw skin were at high level around the world auction markets, these would mean higher risks for either our own purchasing or acting as a buying agent for customers, as a result, the Group reduced the turnover in this section.

Trading and sales of Fur Garments

The turnover of trading and sales of fur garments for the first half year was HK$3,900,000, an increase of 60% compared to HK$2,436,000 in the corresponding period last year. During the period, a loss of HK$2,077,000 was recorded, a decrease of losses by 49.6% compared to that of loss of HK$4,118,000 in the corresponding period last year. The increase in sales was mainly to increase in sales turnover in Greater China.

PROSPECTS

Investment Business

European financial ruin, high unemployment rate in United States and tightening monetary policy in China, these three main issues that are presently the focus of the global investment market. The European sovereign-debt crisis is the most top priority problem that has to be solved within the shortest time, otherwise ripple effects of which would caused material impacts to world economic growth. Uncertain and volatile investment market keep us alert of future investment opportunities in the forthcoming year, the Group will and has to extend more cautious approaches in various investment activities.

Vanadium Mining Business

Vanadium, a steel hardening agent, its selling price is now at relatively low level compared to that of last year in both China and Europe market. This is mainly due to most European Governments have to face tough expenditure cutting to achieve balancing budget, that in return affect investments and consumptions in Europe. Under such circumstances the Group is in the process of seeking low cost techniques and refining methods for keep reasonable profit margin. Refining, ground and technical works that needed to be done for preparing of the mining of vanadium were carried out last year and had completed as planned for its initial stage. However due to low vanadium selling price, the Group decides to slow down the mining, extraction and refining works, awaiting for a better vanadium selling environment.

Fur Business

Fur Skin Trading

The Group temporarily ceased the auction business in fur skin trading due to the auction prices of the raw skin were and continues at high side, this would mean higher risks for either our own purchasing or acting as a buying agent for customers. The Group would restart the business again in due course if the auction price of the raw skin is lowering back to a more reasonable level.

Trading and sales of Fur Garments

In recent years, luxury items selling in Greater China are in a good growing trend including the sales of fur garments. The Group had increased its sales spots in Greater China and recorded a growth in sales, we expect in the forthcoming year the sales growth trend could be continued in the Greater China market. The Group would keep on its sales expansion in Greater China. However fur garment trading and fur garments sales were not in a good shape in our retail outlet in Paris. This is due to high running cost and low sales in the area, the Group decides to slow down and revise its operation and marketing plan in Europe. Overall we expect a steady growth in the sector of trading and sales of fur garments.

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 30 September 2011, the Group had cash and bank balances of approximately HK$6,626,000 (31 March 2011: HK$18,920,000). As at 30 September 2011, the Group's interest bearing bank and other borrowings (including convertibles notes) amounted to approximately HK$42,628,000 (31 March 2011: HK$33,584,000). As at 30 September 2011, the shareholders' funds amounted to approximately HK$1,040,530,000 (31 March 2011: HK$1,213,747,000). Accordingly, the gearing ratio was 0.03 (31 March 2011: 0.01).

CAPITAL STRUCTURE

(1) 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 to adjustment for general dilutive events.

During the year ended 31 March 2010, the Company entered into a deeds 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 (subject to adjustment). The CN holders agreed that the obligations of the Company under the 11 April 2008 convertible notes were fully discharged. In addition, the 1% interest payable amounting to HK$8,370,000 on the 11 April 2008 convertible notes was waived. The principal amount of the 11 April 2008 convertible notes were settled in fully by the new convertible notes of HK$744,930,000 for the same holders during the year ended 31 March 2010. The effective interest rate of the liability component is 10.19% per annum.

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 2011 were HK$465,000.

During the six months ended 30 September 2011, the outstanding principal amounts of the convertible notes remained unchanged and the balances of such convertible notes at 30 September 2011 were HK$465,000.

(2) On 15 October 2008, the Company issued convertible notes with a nominal value of HK$43,200,000. The notes bear no interest with maturity date on 14 October 2011. The holders of the 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 (subject to adjustment). The conversion price of the convertible notes was subsequently adjusted to HK$1.478 per share due to the capital reorganization. The Company shall have the right at any time from the date of issue of the convertible notes and inclusive of the maturity date to redeem the whole or part of the outstanding convertible notes. The effective interest rate of the liability component is 6.19% per annum.

On 14 October 2011, the Company to repay the outstanding amount HK$43,200,000 of the convertible notes in full.

(3) On 3 October 2011, the Company and the placing agent entered into the placing agreement whereby the Company has conditionally agreed to place, through the placing agent, on a fully underwritten basic, the three-year 5% coupon convertible notes in a aggregate principal amount of HK$100,000,000 into ordinary share of the Company at an initial conversion price of HK$1.00 per share.

The convertible notes as stated in (1) and (2) above were split into liability, derivative and equity components upon initial recognition by recognising the liability components and conversion option derivative components at their fair value and attributing to the equity components the residual amount. The liability component is subsequently carried at amortised cost while the derivative component is carried at fair value to be remeasured at the end of each reporting period. The equity component is recognized in the convertible notes equity reserve. The fair values of the conversion option derivative components of the convertible notes were determined as of the date of issue and 30 September 2011 and 31 March 2011 by an independent firm of professionally qualified valuers, BMI Appraisals Limited.

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 end of the reporting periods was as follows:

	(Unaudited) 30 September 2011 *HK$'000*	(Audited) 31 March 2011 *HK$'000*
Total borrowings		
Convertible notes	**42,628**	33,584
Less: time deposits, cash and bank balances	**6,626**	18,920
Net debt	**(36,002)**	(14,664)
Total equity	**1,040,530**	1,213,747
Gearing ratio	**0.03**	0.01

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

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 30 September 2011, 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 30 September 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of all the applicable code provisions of the Code on Corporate Governance Practices (the "Code on CGP") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as its own code on corporate governance practices. During the period, the Company complied with all the Code on CGP, except the following deviation:

(1) Code Provision A.2.1 of the Code on CGP stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

    Dr. Lee Yuk Lun was appointed as an Executive Director on 31 August 2007 and was elected Chairman on 15 March 2010. Upon his appointment as the Chairman, he also takes up the role of the Chief Executive Officer of the Company. The Board believes that vesting the roles of both chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as the execution of long-term business strategies. The Board considers that such an arrangement will not impair the balance of power and authority between the Board and the management of the Company.

(2) Mr. Lam Kwan Sing has entered a service contract with the Company on 1 August 2010 for a fixed term of 2 years commencing from 1 August 2010.

    Save as disclosed above, none of the Company's existing directors has entered into any service contract with the Company for, among other matters, fixing their term of service. Accordingly, the Company has not complied with the code provision A.4.1 of the Code on CGP, which stipulates that non-executive directors should be appointed for a specific term. Although the 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, as set out above, all directors, including non-executive directors, of the Company 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.

CHANGE IN INFORMATION OF DIRECTORS

During the period, pursuant to Rule 13.51B(1) of the Listing Rule, the changes in information of the Directors subsequent are set out below:

Mr. Wong Nga Leung was appointed as executive Director with effect from 26 October 2011.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

REMUNERATION COMMITTEE

The Remuneration Committee has been established by the Company in accordance with the requirements of the Code on CGP.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for the overall remuneration of directors and management, including the policy of granting of share options to employees under the Company's share option scheme. No director or any of his/her associates may be involved in any decisions as to his/her own remuneration.

The Remuneration Committee currently comprises three independent non-executive directors.

AUDIT COMMITTEE

The Audit Committee 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 unaudited condensed interim consolidated financial statements for the six months ended 30 September 2011.

The main duties of the Audit Committee include review of the effectiveness of financial reporting system, internal control systems and risk management system of the Group, review of the Group's financial information and compliance, making recommendation to the Board on the appointment and removal of external auditors and assessing their independence and performance.

The audit committee comprises three independent non-executive directors of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2011 (six months ended 30 September 2010: Nil). No dividend was paid during the period under review.

INTERIM REPORT

The Interim Report is printed in English and Chinese and is available on the Stock Exchange's website at www.hkexnews.hk under the "Listed Company Information" and our Company's website at www.hkrising.com. Printed copies in both languages are posted to shareholders.

By order of the Board
Rising Development Holdings Limited
Dr. Lee Yuk Lun
Chairman

Hong Kong, 25 November 2011

As at the date of this announcement, the executive Directors are Dr. Lee Yuk Lun, Mr. Kong Shan, David, Mr. Lam Kwan Sing and Mr. Wong Nga Leung; and the independent non-executive Directors are Mr. Fok Ho Yin, Thomas, Mr. Tso Hon Sai, Bosco and Mr. Tsui Ching Hung.

* *For Identification purpose only*