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 2014

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 2014 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2014

	Note	**2014** **HK$'000**	2013 HK$'000
TURNOVER	*4&5*	**79,219**	80,721
Cost of sales		**(77,811)**	(77,489)
Gross profit		**1,408**	3,232
Other income and net gains/(losses)	*5*		
– Net gain/(loss) from equity securities		**5,430**	(8,540)
– Others		**879**	(16,958)
Impairment loss on exploration and evaluation assets	*13*	**(134,081)**	(246,053)
Goodwill written off		**(19)**	–
Selling and distribution expenses		**(4,330)**	(5,028)
Operating and administrative expenses		**(23,206)**	(25,686)
LOSS FROM OPERATIONS		**(153,919)**	(299,033)
Finance costs	*6*	**(15,651)**	(14,311)
LOSS BEFORE TAX	*7*	**(169,570)**	(313,344)
INCOME TAX CREDIT	*8*	**31,570**	61,513
LOSS FOR THE YEAR		**(138,000)**	(251,831)

* *For identification purpose only*

	Note	**2014** ***HK$'000***	2013 *HK$'000*
ATTRIBUTABLE TO:			
Equity shareholders of the Company		**(118,084)**	(214,500)
Non-controlling interests		**(19,916)**	(37,331)
LOSS FOR THE YEAR		**(138,000)**	(251,831)
LOSS PER SHARE	*10*		
Basic		**HK(8.44) cents**	HK(15.47) cents
Diluted		**HK(8.44) cents**	HK(15.47) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(138,000)**	(251,831)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**357**	13,034
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)	**357**	13,034
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(137,643)**	(238,797)
ATTRIBUTABLE TO:		
Equity shareholders of the Company	**(119,507)**	(203,975)
Non-controlling interests	**(18,136)**	(34,822)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(137,643)**	(238,797)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**961**	1,767
Available-for-sale financial assets	*12*	**7,800**	7,800
Exploration and evaluation assets	*13*	**967,405**	1,100,341
		976,166	1,109,908
CURRENT ASSETS			
Inventories		**3,733**	4,369
Trade receivables	*14*	**2,257**	1,328
Prepayments, deposits and other receivables		**7,478**	5,440
Financial assets at fair value through profit or loss	*15*	**54,238**	50,841
Tax recoverable		**2,831**	2,831
Cash and bank balances		**20,465**	22,736
		91,002	87,545
CURRENT LIABILITIES			
Trade payables	*16*	**530**	43
Customers' deposits		**1,682**	1,504
Margin loan payable	*17*	**10,326**	14,921
Other loans	*17*	**27,501**	–
Other payables and accruals		**4,937**	11,197
Tax payable		**590**	590
		45,566	28,255
NET CURRENT ASSETS		**45,436**	59,290
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,021,602**	1,169,198
NON-CURRENT LIABILITIES			
Convertible notes		**–**	63,786
Deferred tax liabilities		**240,995**	272,283
		240,995	336,069
NET ASSETS		**780,607**	833,129

	Note	2014 HK$'000	2013 HK$'000
CAPITAL AND RESERVES			
Share capital	*18*	**14,862**	13,862
Reserves		**620,712**	656,098
Equity attributable to equity shareholders of the Company		**635,574**	669,960
Non-controlling interests		**145,033**	163,169
TOTAL EQUITY		**780,607**	833,129

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated 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 ("HKICPA"), 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 and liabilities 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 2014. 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.

2. APPLICATION OF NEW AND REVISED HKFRSs

The HKICPA has issued the following new and revised HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKAS 1, Presentation of financial statements – *Presentation of items of other comprehensive income*
- Amendments to HKFRS 7, *Disclosures – Offsetting financial assets and financial liabilities*
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12, *Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Revised HKAS 19, *Employee benefits*
- Revised HKAS 27, *Separate financial statements*
- Revised HKAS 28, *Investments in associates and joint ventures*
- *Annual Improvements to HKFRSs 2009-2011 Cycle*
- HKFRIC 20, *Stripping costs in the production phase of a surface mine*

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1, Presentation of financial statements – *Presentation of items of other comprehensive income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 "Joint arrangements", HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and Revised HKAS 28 "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

Revised HKAS 27 is not applicable to the Group as it deals only with separate financial statements.

HKFRS 10, *Consolidated financial statements*

HKFRS 10 replaces the parts of HKAS 27 "Consolidated financial statements" that deal with consolidated financial statements and HK(SIC) – INT 12 "Consolidation – Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) it has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company has made an assessment as at the date of initial application of these standards (i.e. 1 April 2013) and concluded that the Group exercised control over its subsidiaries. As a result, the directors of the Company adopt these new and revised Standards on consolidation, joint arrangements, associates in its accounting policy and concluded these standards had no material effect on the consolidated financial statements of the Group for the current or prior accounting period except that the application of HKFRS 12 will result in disclosures in the consolidated financial statements.

HKFRS 13, *Fair value measurement*

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in consolidated financial statements. Other than the additional disclosures, the adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to HKFRS 7, *Disclosures – Offsetting financial assets and financial liabilities*

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on the consolidated financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2014

The following new and revised standards, amendments and interpretations have been issued but are not yet effective and have not been early adopted:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	*Investment entities*	1 January 2014
Amendments to HKFRS 9 and HKFRS 7	*Mandatory effective date of HKFRS 9 and transition disclosures*	*
HKFRS 9	*Financial instruments*	1 January 2015
Amendments to HKAS 19	*Defined benefit plans: Employee contributions*	1 July 2014
Amendments to HKAS 32	*Offsetting financial assets and financial liabilities*	1 January 2014
Amendments to HKAS 36	*Recoverable amount disclosures for non-financial assets*	1 January 2014
Amendments to HKAS 39	*Novation of derivatives and continuation of hedge accounting*	1 January 2014
Amendments to HKFRSs	*Annual improvements to HKFRSs 2010-2012 cycle*	1 July 2014
Amendments to HKFRSs	*Annual improvements to HKFRSs 2011-2013 cycle*	1 July 2014
HKFRS 14	*Regulatory deferral accounts*	1 January 2016
HK(IFRIC)-INT 21	*Levies*	1 January 2014

* *Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.*

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

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 of listed equity securities and investment income from listed equity securities.

b) Investments comprise dividend income from unlisted share investments.

c) Trading of fur garment.

d) Trading of fur skins.

e) Mine

f) Solar energy

g) Others comprise the provision of management services to the companies of the Group.

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 of property, plant and equipment, exploration and evaluation assets, inventories and trade and other receivables. Unallocated assets comprise available-for-sale financial assets, income tax recoverable and cash and cash equivalents.

Segment liabilities consist of trade and other payables. Unallocated liabilities comprise deferred tax liabilities, income tax payable, borrowings and convertible notes.

Capital expenditures comprise 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 2014

	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Mine *HK$'000*	Solar energy *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Segment revenue:								
Sales to external customers	71,897	–	7,322	–	–	–	–	79,219
Inter-segment sales	–	–	4,727	3	–	–	–	4,730
Reportable segment revenue	71,897	–	12,049	3	–	–	–	83,949
Elimination of inter-segment sales								(4,730)
Consolidated revenue								79,219
Segment results	3,558	111	(8,807)	(168)	(136,094)	(496)	(1,548)	(143,444)
Reconciliation:								
Interest income								2
Unallocated corporate expenses								(10,477)
Loss from operating activities								(153,919)
Finance costs								(15,651)
Loss before tax								(169,570)
Income tax credit								31,570
Loss for the year								(138,000)
Other segment information:								
Depreciation	–	–	(164)	(67)	(170)	–	(70)	(471)
Capital expenditures	–	–	(9)	–	–	–	–	(9)
Unrealised loss on listed financial assets at fair value through profit or loss	3,396	–	–	–	–	–	–	3,396
Goodwill written off	–	–	–	–	–	(19)	–	(19)
Impairment loss on exploration and evaluation assets	–	–	–	–	(134,081)	–	–	(134,081)

For the year ended 31 March 2013

	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Mine *HK$'000*	Solar energy *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Segment revenue:								
Sales to external customers	73,923	–	6,791	7	–	–	–	80,721
Inter-segment sales	–	–	1,065	–	–	–	–	1,065
Reportable segment revenue	73,923	–	7,856	7	–	–	–	81,786
Elimination of inter-segment sales								(1,065)
Consolidated revenue								80,721
Segment results	(11,660)	1,817	(10,814)	(544)	(248,172)	–	(1,416)	(270,789)
Reconciliation:								
Interest income								12
Change in fair value of derivative components embedded in convertible notes								(16,845)
Net realised loss on derivative components of convertible notes								(323)
Unallocated corporate expenses								(11,088)
Loss from operating activities								(299,033)
Finance costs								(14,311)
Loss before tax								(313,344)
Income tax credit								61,513
Loss for the year								(251,831)
Other segment information:								
Depreciation	–	(1)	(329)	(67)	(170)	–	(120)	(687)
Capital expenditures	–	–	(414)	(333)	–	–	–	(747)
Unrealised loss on listed financial assets at fair value through profit or loss	(11,820)	–	–	–	–	–	–	(11,820)
Goodwill written off	–	–	–	–	–	–	–	–
Impairment loss on exploration and evaluation assets	–	–	–	–	(246,053)	–	–	(246,053)

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

As at 31 March 2014

	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Mine *HK$'000*	Solar energy *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Reportable segment assets	54,238	1,576	12,899	17,874	968,225	–	82,303	1,137,115
Elimination of inter-segment receivables								(101,043)
								1,036,072
Unallocated assets:								
Available-for-sale financial assets								7,800
Cash and cash equivalents								20,465
Tax recoverable								2,831
Total assets per consolidated statement of financial position								1,067,168
Reportable segment liabilities	–	(3,369)	(50,639)	(25,748)	(10,942)	(454)	(54,867)	(146,019)
Elimination of inter-segment payables								101,043
								(44,976)
Unallocated liabilities:								
Deferred tax liabilities								(240,995)
Tax payable								(590)
Total liabilities per consolidated statement of financial position								(286,561)
Additions to non-current segment assets during the year	–	–	9	–	–	–	–	9

As at 31 March 2013

	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Mine *HK$'000*	Solar energy *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Reportable segment assets	50,841	1,536	13,561	16,788	1,101,178	–	79,375	1,263,279
Elimination of inter-segment receivables								(99,193)
								1,164,086
Unallocated assets:								
Available-for-sale financial assets								7,800
Cash and cash equivalents								22,736
Tax recoverable								2,831
Total assets per consolidated statement of financial position								1,197,453
Reportable segment liabilities	–	(10,460)	(44,632)	(24,476)	(14,025)	–	(33,265)	(126,858)
Elimination of inter-segment payables								99,193
								(27,665)
Unallocated liabilities:								
Convertible notes								(63,786)
Deferred tax liabilities								(272,283)
Tax payable								(590)
Total liabilities per consolidated statement of financial position								(364,324)
Additions to non-current segment assets during the year	–	–	414	333	–	–	–	747

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:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong and Mainland China	**79,219**	80,588
Other countries	**–**	133
Total revenue	**79,219**	80,721

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:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**362**	587
Mainland China	**970,804**	1,101,174
Other countries	**–**	347
	971,166	1,102,108

Information about major customers:

Revenues from customers contributing over 10% of the total sales of fur skins and fur garment of the Group are as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**2,201**	2,620

5. TURNOVER AND OTHER INCOME AND NET GAINS/(LOSSES)

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

	2014	2013
	HK$'000	*HK$'000*
Turnover		
Sales of fur skins and fur garment	**7,322**	6,798
Proceeds from sales of listed financial assets at fair value through profit or loss	**71,897**	73,923
	79,219	80,721
Other income and net gains/(losses)		
Net gain/(loss) from equity securities:		
Dividend income from unlisted available-for-sale financial assets	**1,872**	3,120
Dividend income from listed financial assets at fair value through profit or loss	**162**	160
Unrealised gain/(loss) on investments in listed financial assets at fair value through profit or loss	**3,396**	(11,820)
	5,430	(8,540)
Others:		
Gain on disposal of property, plant and equipment	**–**	50
Bank interest income	**2**	12
Fair value change on derivative components embedded in convertible notes	**–**	(16,845)
Net realised loss on derivative components of convertible notes	**–**	(323)
Exchange gain	**649**	–
Others	**228**	148
	879	(16,958)
	6,309	(25,498)

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Imputed interest expenses on convertible notes	**13,991**	14,291
Interest on other borrowings wholly repayable within five years:		
Margin loan payable	**878**	20
Other loans	**782**	–
	15,651	14,311

7. LOSS BEFORE TAX

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

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories sold	**5,435**	5,203
Cost of trading securities sold	**72,376**	72,286
Depreciation	**471**	687
Minimum lease payments under operating lease on land and buildings	**2,837**	3,742
Auditors' remuneration		
– audit services	**480**	460
– other services	**100**	100
	580	560
Staff salary, allowances and benefits in kind (excluding directors' remuneration)	**6,482**	7,790
Pension contributions	**302**	304
Exchange loss	**–**	398
Provision/(write-back of provision) for obsolete inventories	**2,348**	(344)
Loss on disposal of property, plant and equipment	**365**	–

8. INCOME TAX CREDIT

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 2014 and 31 March 2013. 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.

	2014	2013
	HK\$'000	*HK\$'000*
Income tax credit in profit or loss represents income tax credit as follows:		
Deferred tax	**31,570**	61,513

9. DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended 31 March 2014 (2013: Nil).

10. LOSS PER SHARE

a) Basic loss per share

Basic loss per share for the years ended 31 March 2014 and 31 March 2013 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 during the years ended 31 March 2014 and 31 March 2013 respectively. Calculation is as follows:

	2014	2013
Loss for the year attributable to equity shareholders of the Company *(HK\$'000)*	**(118,084)**	(214,500)
Weighted average number of ordinary shares in issue *(thousands)* (i)	**1,398,556**	1,386,228
Basic loss per share *(HK cents per share)*	**(8.44) cents**	(15.47) cents

	2014	2013
	'000	*'000*
(i) Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	**1,386,228**	1,386,228
Effect of conversion of convertible notes	**12,328**	–
Weighted average number of ordinary shares at 31 March	**1,398,556**	1,386,228

b) Diluted loss per share

Diluted loss per share for the years ended 31 March 2014 and 31 March 2013 is the same as the basic loss per share, as the convertible notes outstanding during the year had an anti-dilutive effect on the basic loss per share for the years ended 31 March 2014 and 31 March 2013.

The calculation of diluted loss per share for the year ended 31 March 2014 is based on the loss for the year attributable to equity shareholders of the Company of HK$118,084,000 (2013: HK$184,189,000) and the weighted average number of ordinary shares of 1,486,228,000 shares (2013: 1,486,228,000 shares), calculated as follows:

i) Loss attributable to ordinary equity shareholders of the Company (diluted):

	2014	2013
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share	**(118,084)**	(214,500)
After tax effect of effective interest on the liability components of convertible notes	**–**	13,466
After tax effect of fair value loss recognised on the conversion option derivative components of convertible notes	**–**	16,845
Loss attributable to ordinary equity shareholders (diluted)	**(118,084)**	(184,189)

ii) Weighted average number of ordinary shares (diluted):

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,398,556**	1,386,228
Effect of dilutive potential ordinary shares in respect of convertible notes	**–**	100,000
Effect of conversion of convertible notes	**87,672**	–
Weighted average number of ordinary shares (diluted)	**1,486,228**	1,486,228

11. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 March 2014, the Group acquired items of property, plant and equipment with cost of HK$9,000 (year ended 31 March 2013: HK$747,000) and disposed items of property, plant and equipment of HK$936,000 (year ended 31 March 2013: HK$515,000).

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014	2013
	HK$'000	*HK$'000*
Unlisted equity securities, at cost	**7,800**	7,800

At the end of the reporting period, the above unlisted equity securities 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.

13. EXPLORATION AND EVALUATION ASSETS

	Exploration rights	**Evaluation expenditure**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Balance at 1 April 2012	1,318,611	11,075	1,329,686
Exchange adjustment	16,570	138	16,708
Impairment loss	(246,053)	–	(246,053)
Balance at 31 March 2013 and 1 April 2013	1,089,128	11,213	1,100,341
Exchange adjustment	1,133	12	1,145
Impairment loss	(131,281)	(2,800)	(134,081)
Balance at 31 March 2014	**958,980**	**8,425**	**967,405**

The exploration rights represent the carrying amount of the mining rights for mining, exploration and exploitation in a Vanadium mine located in Shaanxi, PRC. The exploitation licence of Vanadium mine has been granted for 3 years till the fourth quarter of 2014 and is renewable on an ongoing basis.

a) Impairment testing of mining rights in respect of the Vanadium mine:

At 31 March 2014, the directors have engaged an independent professional valuer, BMI Appraisals Limited (the "Appraiser"), to carry out a valuation on the mining rights for the purposes of an impairment review on the above-mentioned rights.

Based on the valuation report prepared by the Appraiser, the directors consider that the mining rights should be impaired as the carrying amount of mining rights exceeds its recoverable amount at 31 March 2014. Accordingly, an impairment loss of HK$134,081,000 (2013: HK$246,053,000) was recognised in profit or loss for the year ended 31 March 2014.

The recoverable amount of the mining rights is determined by the income approach adopted by the Appraiser in its valuation report, which adopted the following key assumptions for the valuation of the mining rights:

1. Under the income approach, the Excess Earnings Method was adopted. The Excess Earnings Method is predicated on the basis that the value of an intangible asset is the present value of the earnings it generates, net of a reasonable return on other assets which also contribute to that stream of earnings.

   For the purpose of the valuation, the after-tax required rates of return on the net fixed assets, the net working capital and the workforce assembled of 9.56%, 4.50% and 14.18% (2013: 7.75%, 4.50% and 14.23%) respectively were adopted.

2. The fair value of the mining rights was also determined by reference to the listed companies that are considered to be comparable to the mine business.

3. The discount rate of the mining rights was calculated as 14.18% (2013: 14.23%).

b) In connection with the acquisition of the Vanadium mining assets by the Group in 2008 and in its audited financial statements for the year ended 31 March 2008, the Company had made reference to a valuation report that adopted "market approach" for the valuation as there was then a PRC Vanadium mine sale that could be used as a market comparable. In preparing the Group's interim consolidated statements of financial position as at 30 September 2008 and 30 September 2009 and the Group's consolidated statements of financial position as at 31 March 2009 and 31 March 2010, reference was made to valuations of the Vanadium mining asset (classified in the financial statements as "exploration and evaluation assets" (the "Mining Asset"), by the discounted cash flow method under the income approach ("DCF"). This valuation method was adopted in accordance with Hong Kong Financial Reporting Standard 6 and paragraph 75 of Hong Kong Accounting Standard 38.

   In view of the delay of the mining production schedule (originally scheduled to commence production in early 2009), the directors considered that it was more appropriate to disclose the value of the Vanadium mining rights specifically instead of the Mining Asset in the Group's financial statements. In order to value the mining exploration and exploitation rights specifically, the Appraiser adopted the Excess Earnings method under the income approach ("ER"), instead of using DCF. The ER method has been adopted for the valuation of the mining exploration and exploitation rights for the purpose of the Group's consolidated financial statements for the six months period ended 30 September 2010 and thereafter. The Appraiser has confirmed to the Company that since the Vanadium mine has not been exploited, the difference in value of the Mining Asset using DCF and the value of the mining exploration and exploitation rights under ER should be immaterial.

Earlier the end of this reporting period, the Company had engaged an independent mining engineering company (the "Engineer") to prepare a Geological and Economical Studies Report of the Group's Vanadium mine. The Engineer found that both the operation and capital costs of the Vanadium mine project are high as compared with the current market price of Vanadium Pentoxide ("V_2O_5"), a chemical compound commonly used for industrial purposes. In particular, the Engineer noted that the substantial decrease in the market price of V_2O_5 since the acquisition of the Vanadium mine in 2008, the current market price of V_2O_5 is about the same as the total operating cost for the extraction and production of V_2O_5, and therefore rendering this project not to be commercially viable at present. Accordingly, the Engineer suggested to the directors of the Company that the production plan for the Vanadium mine should be postponed until the market of V_2O_5 recovers and stabilises.

14. 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 the reporting period based on the invoice date is as follows:

	2014	2013
	HK$'000	*HK$'000*
Current to 30 days	**1**	337
31 days to 60 days	**1**	1
Over 60 days	**2,255**	990
	2,257	1,328

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 2014 and 31 March 2013, there were no impairment losses in respect of trade receivables.

The ageing analysis of the trade receivables that are not considered to be impaired is as follows:

	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**26**	77
Less than 1 month past due	**176**	255
1 to 3 months past due	**771**	526
Over 3 months past due	**1,284**	470
	2,231	1,251
	2,257	1,328

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the management is of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong at fair value	**54,238**	50,841

At 31 March 2014, the total carrying amounts of certain financial assets at fair value through profit or loss amounted to HK$53,786,000 (2013: HK$50,436,000), which have been pledged as security for the margin loan payable of HK$10,326,000 (2013: HK$14,921,000), the details of which are set out in note 17(a).

16. TRADE PAYABLES

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

	2014	2013
	HK$'000	*HK$'000*
Current to 30 days	**–**	–
31 days to 60 days	**–**	–
Over 60 days	**530**	43
	530	43

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

17. MARGIN LOAN PAYABLE/OTHER LOANS

	2014	2013
	HK$'000	*HK$'000*
Margin loan payable *(note a)*	**10,326**	14,921
Other loans *(note b)*	**27,501**	–
	37,827	14,921

a) At 31 March 2014, the margin loan payable was secured by the equity securities held under the margin account, with a total market value of approximately HK$53,786,000 (2013: HK$50,436,000) (Note 15).

	2014		2013	
		Effective interest rates		*Effective interest rates*
	HK$'000	***(%) p.a.***	*HK$'000*	*(%) p.a.*
Within one year	**10,326**	**10.25**	14,921	8

b) These loans are unsecured and fixed-rate loans which carry interest at the range from 6% to 10.25% (2013: Nil) per annum. These loans are repayable within one year from the end of the reporting period.

18. SHARE CAPITAL

	Number of shares of HK$0.01 each		**Share capital**	
	2014	2013	**2014**	2013
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
Ordinary shares at beginning and end of year	**30,000,000**	30,000,000	**300,000**	300,000
Ordinary shares, issued and fully paid:				
At 1 April	**1,386,228**	1,386,228	**13,862**	13,862
Issue of shares in connection with conversion of convertible notes	**100,000**	–	**1,000**	–
At 31 March	**1,486,228**	1,386,228	**14,862**	13,862

During the year ended 31 March 2014, additional 100,000,000 ordinary shares of HK$0.01 each were issued at par upon conversion of the convertible notes at a conversion price of HK$1 per share. The ordinary shares issued have the same rights as other shares in issue.

19. CHARGES ON ASSETS

At 31 March 2014 and 31 March 2013, the Group did not obtain any banking facilities and borrowings except for margin loan payable, other loans and convertible notes, details of which are set out in notes 15 and 17.

At 31 March 2014 and 31 March 2013, the Group and the Company have pledged certain financial assets at fair value through profit or loss held under the margin account to secure the margin loan payable of HK$10,326,000 (note 17(a)) (2013: HK$14,921,000).

20. CONTINGENT LIABILITIES

The Company and the Group had no contingent liabilities as at 31 March 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial results and business review

During the year under review, the Group recorded a turnover of HK$79,219,000 (2013:HK$80,721,000), representing a slightly decrease of 1.86% as compared to the same period of last year. The decrease in turnover was due to a slightly drop in the trading in security. The net loss attributed to equity shareholders of the Company for the current year amounted to HK$118,084,000 as compared to a net loss of HK$214,500,000 last year, result in a basic loss per share this year of HK$8.44 cents (2013: basis loss per share of HK$15.47 cents), representing a decrease in loss by 45%. The loss was mainly due to the impairment loss of mining business required current market valuation to be made each year on the mining right with respect to the Vanadium Mine. The valuation was conducted by an independent valuer, which amount to RMB767,000,000 (equivalent to HK$958,980,000) as at 31 March 2014 as compared to its carrying amount of RMB872,000,000 (equivalent to HK$1,089,128,000) as at 31 March 2013, resulting in a loss after tax of HK$78,769,000 for the year attributed to the equity shareholders of the Company.

Property bubbles appeared in some 2-3 tier cities in China, huge local government borrowings, defaults in repayment of some shadow bank loans that had helped fuel the credit expansion seen in the country in the wake of the Western financial crisis, target GDP growth lower to about 7.5% at its slowest pace in a decade during the period, weak export and low Purchasing Manager Index, all these mixing signals at the same time appeared in PRC indicated bad signs for the PRC economy ahead; reduction of the size of QE monthly and quicker expectation for interest upward rebound that delivered by US Federal may cause impact of fund outflow from emerging market and affect the stability of financial markets globally. On the political side, sanctions imposed by White house and European allies on Russia as a result of Ukraine Crimea crisis, sovereignty disputes of islands around South China Sea, and Eastern China, all these economic and political uncertainties and drawbacks imply a much tougher challenge for the coming year. In view of the above, the Group is going to exercise more caution to face the challenges and will try our best to achieve a better performance in 2014.

Turnover by Business Segments

Ratio analysis by business segments for the Group's turnover for the year ended 31 March 2014 is as follows:

- Trading in securities: approximately HK$71,897,000, 90.8% of turnover (2013: HK$73,923,000, 91.6%)

- Trading of fur skins: approximately HK$Nil, 0% of turnover (2013: HK$7,000, 0%)

- Trading of fur garment: approximately HK$7,322,000, 9.2% of turnover (2013: HK$6,791,000, 8.4%)

Turnover by Geographical Region

Ratio analysis by geographical region for the Group's turnover for the year ended 31 March 2014 is as follows:

- Mainland China and Hong Kong: approximately HK$79,219,000, 100% of turnover (2013: HK$80,588,000, 99.8%)

- Other regions: approximately HK$Nil, 0% of turnover (2013: HK$133,000, 0.2%)

BUSINESS REVIEW

Investment Business

Trading in securities

During the year, turnover from trading in securities was HK$71,897,000, representing a decrease of 2.74% compared with the corresponding period last year of HK$73,923,000. Profit of HK$3,558,000 was recorded from this sector during the year as compared to a record of loss of HK$11,660,000 with the corresponding period last year. The profit was mainly due to a record of unrealized gain on investments in listed financial assets at fair value through profit or loss. We are taking steps to improve the profitability in profit in the sector of trading of security in 2014.

Investments

The Group's turnover in investments was nil during the period and was the same nil for the corresponding period last year. Profit of HK$111,000 was recorded from this sector during the period, a decrease in profit by 93.9% compared to the profit of HK$1,817,000 was recorded in the corresponding period last year. The reduction in profit was mainly due to about 40% lesser dividend income received from unlisted available-for-sale financial assets during the period compared to that of last year, and the dividend income was mainly from an investment in a property investment in Vietnam.

Fur Business

Trading of fur skins

During the year, the turnover in trading of fur skins was nil compared to the same period of last year HK$7,000, representing 100% dropped in sales in trading of fur skins. Loss of HK$168,000 was recorded compared to that of last year's loss of HK$544,000, representing a reduction of loss by 69.1%. The loss were mostly due to administrative expenses allocated to this sector of business. We are in the process to review the possibility to resume this line of business in 2014 as substantial drop in auction prices mean less risk both in trading and keeping of stock for fur skins.

Trading of fur garment

During the year, the turnover in trading of fur garment was recorded at HK$7,322,000 compared to the same period of last year which was recorded at HK$6,791,000 representing a 7.82% increase in sales of trading in fur garment. Loss of HK$8,807,000 was recorded compared to that of last year's loss of HK$10,814,000, representing a drop of loss by 18.56%. The loss were mostly due to administrative expenses allocated to this sector of business. We are taking plans to improve the performance of this sector through expanding the sales network and allocating more marketing strategies. We believe 2014 will be a tough year as tighter government expenditure controls and its ripple effect would prevail and affect our major PRC market.

Mining Business

The mining business of the Group had not started contributing revenue during the year, revenue was the same nil for corresponding period last year. However, a loss of HK$136,094,000 was recorded in this sector during the year, compared to a loss of HK$248,172,000 in the corresponding period last year, representing a reduction of loss by 45.16% compared to that of the same period last year. The loss was mainly due to impairment loss on the value of exploration and evaluation assets of the Group. The loss was mainly due to the reduction in the fair value of the mining rights held by the Group in its Vanadium Mine as at 31 March 2014 valued by an independent valuer BMI Appraisals Limited ("BMI"), described further below.

The Company acquired the 80% interest in its Vanadium Mine in Xunyangba County, Ningshan Town, Shaanxi Province in April 2008. The current mining licence covers an area of approximately 2.2 square-kilometres. The Company's acquisition took place prior to current requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") coming into effect, and was based on a geological model prepared by the Institute of Mineral Resources Chinese Academy of Geological Sciences（中國地質科學院礦產資源研究所）in accordance with the Chinese Mineral Resource/Reserves Classification（固體礦產資源／儲量分類GB/T17766-1999) which identified approximately 300,761 tonnes metric tonnes of Vanadium Pentoxide (V_2O_5) reserve. As disclosed in the shareholders circular dated 26 February 2008 of the Company (the "Circular"), the first stage of mining operation of the Vanadium Mine with refinery and daily production capacity of 500 metric tonnes ores was originally scheduled to commence production in early 2009.

With the decline of V_2O_5 selling price post acquisition as a result of economic crisis since 2008 (from the peak in August 2008 of around RMB275,000/metric tonne to its lowest of around RMB65,000/metric tonne around April 2013), development of the Vanadium Mine has become uneconomical. In early 2013, the Company has engaged an independent mining engineering expert (the "Engineer") to carry out a technical and economic review of the Group's Vanadium Mine. The Engineer confirmed the Company that the project was uneconomical and affirmed the view of the Company's management that the Company should postpone the development of the Vanadium project until the V_2O_5 market recovers. Therefore, the Group had continued its earlier decision to slow down the project to wait for the recovery of the V_2O_5 selling price and stabilisation of V_2O_5 selling price at a level which renders the development and production commercially viable, as stated in the Group's interim and annual reports since 2009. Consequently, the Company has only incurred minimal expenses in the development of the Vanadium Mine, focusing mainly on preparatory works for new construction, extraction and production. No exploration, development or production activity had been carried out during the year.

The reserves of the Vanadium Mine (of average grade at 1.13%) according to the Chinese Mineral Resource/Reserves Classification as included in the Circular was as follows:

Category	**Ore Quantity** *(tonne)*	**Grade** *(% V_2O_5)*	**Contained V_2O_5** *(tonne)*
332	6,545,401	1.15	75,083
333	14,209,599	1.13	160,669
334	5,916,518	1.10	65,009
Total	**26,671,518**	**1.13**	**300,761**

Reserves of the Vanadium Mine as at 31 March 2014 remains unchanged since the acquisition (being 300,761 metric tonne of V_2O_5), given that no material extraction was done due to the delay in the development of the mine for reasons explained above.

In addition to the amount of Vanadium mining reserves, the time to production of the Group's Vanadium Mine and the changes of the V_2O_5 market price are the key factors that affect the valuation of the mining rights of the Group.

Based on the latest development plan of the Group, commencement of the first stage of production (envisaged at the time of the acquisition of the Vanadium Mine to take place in 2009) will instead take place in 2016. This will allow management 12 months to observe and monitor any improvement in and the stability of V_2O_5 selling prices and a further 9 to 12 months for the construction of access roads and to order production facilities. The development plan (which remains unchanged from that adopted in 2009 except as to the timing of commencement of production) targets the production of 500 metric tonne/day in the first year of production, 1,000 metric tonne/day in the second and third year of production, 2,000 metric tonne/day in the fourth and fifth year of production and 3,500 metric tonne/day from the six year of production and thereafter, at a production cost ranging from around RMB55,000/metric tonne to RMB67,000/metric tonne for the first ten years of production.

Actual operation and development plans will remain dependent on, and subject to revision, based on management's analysis of the market price of V_2O_5 and its stability, the rate and period of return of the projects and the risks of investment in and development of the mine.

At 31 March 2014, the fair value of the mining right classified as part of the "exploration and evaluation assets" in the Group's audited consolidated balance sheet as at that date was determined by excessive earnings method under the income approach. It decreased by RMB105 million when compared with its fair value as at 31 March 2013 using the same excess earnings method for valuation. Such decrease was mainly due to a decrease in the V_2O_5 market price (as at 31 March 2013: about RMB73,000/metric tonne: as at 31 March 2012: about RMB78,000/metric tonne; as at 31 March 2011: about RMB95,000/metric tonne). For valuation purposes, BMI projected the V_2O_5 selling price in the valuation report as at 31 March 2014 to increase by 3-4% annually, which is more or less in line with the estimated annual inflation rate in China which does not differ materially from the rate of price increase used in the valuation of the mining rights as at 31 March 2013. The discount rates applied by BMI in both valuations as at 31 March 2014 and 31 March 2013 were 14.18% and 14.23% respectively, in valuation this year BMI have factored into a 3% company specific risk premium (31 March 2013: 3%) due to the continued delay in commencement of production, while there has been no significant change to the assumed cost of debt and discount applied by BMI in 2014 and 2013, as the China Above 5 Years Best Lending Rate and the 10-year Chinese Government Bond yield used as reference for this purpose have remained largely similar as of the relevant valuation dates.

Solar Energy

The Group has been identifying and exploring suitable projects and/or investments with good potential for acquisition. As China Government has selected solar as one of the key ways to promote clean energy over the next decade, the Company has been actively looking at potential investments in solar sector. The Board of the Company considers solar investment to be a good potential investment for the Group and will provide revenue streams to the Group and will benefit the Group and its shareholders as whole in the future. As a result during the year,

(a) On 28 January 2014, the Company announced a non-legal binding agreement, memorandum of understanding was entered into between Surplus Basic Limited, an indirect wholly-owned subsidiary of the Company, and Linkage Group Limited, in relation to the proposed acquisition, directly or indirectly, of the entire equity interest in Jinchang Jintai Photovoltaic Company Limited 金昌錦泰光伏電力有限公司. The memorandum of understanding does not create any legally binding commitment between parties to proceed with the proposed acquisition and is subject to the parties entering into definitive agreements for the proposed acquisition. The target company is principally engaged in the operation of two solar power stations with an aggregate annual production capacity of 100MW in Jinchang, Gansu Province, both of which have already connected to the grid.

(b) On 13 February 2014, the Company announced a further memorandum of understanding was entered into between Surplus Basic Limited, an indirect wholly-owned subsidiary of the Company, and Accurate Win Limited, in relation to the proposed acquisition, directly or indirectly, of the entire equity interest in Jinchang Guo Yuan Power Limited 金昌國源電力有限公司.

    The memorandum of understanding does not create any legally binding commitment between parties to proceed with the proposed acquisition and is subject to the parties entering into definitive agreements for the proposed acquisition. The target company is principally engaged in the operation of solar power station with an annual production capacity of 100MW which have already connected to the grid in Jinchang, Gansu Province.

(c) On 12 March 2014, the Company announced the signing of a framework agreement, between the Company's wholly-subsidiary, Shanghai Chaoyang Photovoltaic（上海超陽光伏電力有限公司）and Hareon Solar Technology Co Ltd（海潤光伏科扳股份有限公司）, under the framework agreement, they have to the cooperate in the development, construction and financing of solar power plants having aggregate production capacity of not less than 800MW and the distribution of their output. And further on 20 March 2014, the Group has announced the signing of a cooperation agreement and an equity transfer agreement in respect of Jilin Hareon, currently a wholly-owned subsidiary of Shanghai listed Hareon Solar, by which Chaoyang Photovoltaic (a wholly-owned subsidiary of the Company) agreed to purchased 51% equity interest in Jilin Hareon for a cash consideration of RMB510,000 (approximately HK$637,500) and to provide up to RMB36,720,000 (approximately HK$45,900,000) by further capital injection or shareholders loan to Jilin Hareon. Jilin Hareon was established on 22 November 2013 and is the project company established by Hareon Solar for the development of the 40MW photovoltaic power generation project in Taonan, Jilin, the PRC. It has a registered capital of RMB1,000,000. Based on unaudited financial information provided by Hareon Solar, Jinlin Solar has not recorded any revenue and had incurred immaterial expenses in the financial year ended 31 December 2013. The cooperation agreement and equity transfer agreement do not constitute a notifiable transaction of the Company under the Listing Rules. Subsequently, the said 51% equity interest transfer was completed on 27 March 2014.

PROSPECTS

Trading in Securities

Equity market is expected to be risky this year as US market has reached a comparatively high level while at the same China is facing an uncertain structural adjustment in production so as to face over growth in the supply side of middle and low end products. Whether China's adjustment be successful or not be an excuse for fluctuation and more likely on the downside at initial stage. The property bubble and potential bank or financial loans that may threaten the most important financial engine, the banking industry of PRC. So as a whole, 2014 is definitely a tough year for investment in securities and cautious attitudes have to be kept in this sector of business in the forthcoming period.

Investment Business

The reverse rising expectation of Renminbi, the official currency of PRC, reflected the downward economic of China and its potential risks. As Hong Kong's economy is highly linked with China's, we are cautious about the economy growth both of China and Hong Kong. The recent Ukraine crisis between US, European Union and Russia may affect global trading and investment, and as a result of more sanctions to be imposed, it would affect the steady and stable economic recovery in Europe and ripples globally. The pace of recovery of US economy is slow, despite the US federal reserve (FED) maintaining low interest rate, weaker Dollar and Quantity Easing policy to keep growth, the unemployment rate and the housing price are not recovering as well as expected, which we believe was resulted in the FED still keeping a low interest environment. The rebalancing strategy of US implemented in Asia affects the Sino-Japan as well as Japan-Korean relationships and in turn affect its relative trading, global trading and worsening the investment environment turn in 2014. All these uncertainties and drawbacks imply a much tougher and challenge investment environment for the year ahead. The Group is looking forward for a better performance in this sector despite all the above-mentioned uncertainties by exercising more caution and monitoring all sectors of business.

Fur Business

Trading of fur skins

At the beginning of 2014, the international auction prices have dropped by around 30% as compared to that in the 4th quarter of 2013. As with what we had mentioned before, when market prices are unstable, trading risks become relatively high for both ourselves as consumer or as agent for the Chinese intermediate clients. When prices drop substantially and its' risk becomes comparatively lower, we will be looking for opportunities in returning to this sector of business in due course.

Trading of fur garment

We have successfully and progressively established our marketing channels in PRC, geographically covering cities in the north-eastern, north-western and southern part of China for the trading of fur garment. These marketing channels include permanent shops and seasonal outlets. By using temporarily outlets to test out marketing locations during peak seasons and sell lower margin fashion goods and accessories at low seasons, this will prevent many other fixed costs or permanent deposits that in the end will help us limit our operating expenses, this mixing channel, has assisted in flexibly expanding our marketing plans at minimal operating costs.

Sales figure in the sales of fur garment was almost the same as targeted last year despite tighter government expenditure controls and lower local consumptions prevailed in the PRC. However, the effect of the reduced government expenditures imposed by the new PRC administration is now gradually hampering our traditional retail business especially in the area of fur garment and luxury market in the PRC include Hong Kong. In order to survive such adverse conditions in the forthcoming year, we have to exercise more caution in operating the business. At the same time we have to be agile enough to react to the change in weather, and to decrease our stocks and goods step by step to reduce stocking risks for fur garment, as international auction prices are at the same time on a downward trend.

In Hong Kong, in the area of wholesale business, we will keep our existing strategy of obtaining wholesale opportunities by co-operating with various fashion chains and brands. Different forms of co-operation through OEM, OBM using our own designs are being carried out simultaneously. Also we will continue our strategy to launch our own designer's collection label of LECOTHIA and FREDERICK so as to build our own brand in the long run. This new line up of wholesale business with various fashion chains hopefully will bring more business opportunities and generate a steady income for our Group in 2014.

Mining Business

The Chinese government is confronting the cumulative consequences of its economic growth in the past years since the open door policy with little attention paid to ecological and social costs. Presently, China has to shift to a more balanced form of development, to lower its GDP growth but with target to keep the employment at a safety level so as to prevent social instability. On the other hand, the US and European economy had not recovered at a pace as planned after the financial and sovereignty crisis, as a result most metal prices dropped significantly including for Vanadium Pentoxide V_2O_5. V_2O_5 selling price is still at low side at about RMB70,000/metric tonne as at 31 March 2014, despite its rebound by about 7.1% from its recent lowest at around RMB65,000/metric tonne in April 2013 (31 March 2013: RMB73,000). The development work in our site were purposely slowed down as mentioned before as a result of low V_2O_5 market price and the Group will continue to exercise control over costs and expenses given that the Vanadium Mine is not yet in production pending sustained recovery of the market for V_2O_5.

Solar Energy

With various supporting policies by the PRC Government recently, rapid growth in the solar energy industry becomes inevitable. According to the National Energy Administration of PRC, the total new installed solar capacity in 2013 amounted to 12.9GW representing a growth of 198% with the cumulative installed capacity of 19.4GW by the end of 2013; solar farms at 16.3GW and distributed systems at 3.1GW. Of the solar farms, 468 solar power plants were built in 2013, making the aggregate number of solar power plants to 741 by the end of 2013, a growth of 171%. In order to tap into this fast growing market, the Group will continue to identify and invest in suitable projects with good potential. The Group will focus on the strategic development of the solar power generation business and devote more resources in the business in the coming future. The Company is confident that the solar energy business will become the key growth contributor to the Group's business in both short and long run.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally derives cash for operation from internal cash flow from banks in Hong Kong and PRC. As at 31 March 2014, the Group had cash and bank balances of approximately HK$20,465,000 (2013: HK$22,736,000). As at 31 March 2014, the Group's interest bearing borrowings (including margin loan payable, other loans and convertibles notes) amounted to approximately HK$37,827,000 (2013: HK$78,707,000). As at 31 March 2014, the shareholders' funds amounted to approximately HK$780,607,000 (2013: HK$833,129,000). Accordingly, the gearing ratio was 2.2% (2013: 6.7%).

As at 31 March 2014, the Group had net current assets of approximately HK$45,436,000 (2013: HK$59,290,000) and current ratio (being current assets over current liabilities) of 2 (2013: 3).

CAPITAL STRUCTURE

1) On 12 October 2011, the Company issued convertible notes with a nominal value of HK$100,000,000. The convertible notes bear interest at 5% per annum with maturity date on 11 October 2014. The holders of the convertible notes have the right to convert on any business date at any time following 12 October 2011 until the date falling 7 days before (and excluding) 11 October 2014, into ordinary share of the Company at an initial conversion price of HK$1.00 per share (subject to adjustment). 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. The effective interest rate of the liability component is 19.55% per annum.

   On 14 February 2014, total principal of HK$100,000,000 were converted into 100,000,000 new ordinary shares of the Company of HK$0.01 each.

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

	2014	2013
	HK$'000	*HK$'000*
Euro	**52**	77
United States dollars	**302**	261
Danish Krone	**20**	27
Renminbi	**3,483**	1,473

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 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:

	2014	2013
	HK$'000	*HK$'000*
Borrowings		
Margin loan payable	**10,326**	14,921
Other loans	**27,501**	–
Convertible notes	**–**	63,786
Total borrowings	**37,827**	78,707
Less: cash and bank balances	**(20,465)**	(22,736)
Net debt	**17,362**	55,971
Total equity	**780,607**	833,129
Gearing ratio	**2.2%**	6.7%

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

CHARGES ON ASSETS

At 31 March 2014 and 31 March 2013, the Group did not obtain any banking facilities and borrowings except for margin loan payable and convertible notes.

At 31 March 2014 and 31 March 2013, the Group and the Company have pledged certain financial assets at fair value through profit or loss held under the margin account to secure the margin loan payable of HK$10,326,000 (2013: HK$14,921,000).

FOREIGN EXCHANGE EXPOSURE

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

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS

There was no significant investment held by the Group as at 31 March 2014.

Material acquisition and Disposal of subsidiaries or Associated Companies

On 20 March 2014, the Group has announced the signing of a cooperation agreement and an equity transfer agreement in respect of 吉林海潤光伏電力技術開發有限公司 Jilin Hareon Electric Development Company Limited* (Jilin Hareon), currently a wholly-owned subsidiary of Hareon Solar, by which Chaoyang Photovoltaic (a wholly-owned subsidiary of the Company) agreed to purchased 51% equity interest in Jilin Hareon for a cash consideration of RMB510,000 (approximately HK$637,500) and to provide up to RMB36,720,000 (approximately HK$45,900,000) by further capital injection or shareholders loan to Jilin Hareon.

Jilin Hareon was established on 22 November 2013 and is the project company established by Hareon Solar for the development of the 40MW photovoltaic power generation project in Taonan, Jilin, the PRC. It has a registered capital of RMB1,000,000. Based on unaudited financial information provided by Hareon Solar, Jinlin Solar has not recorded any revenue and had incurred immaterial expenses in the financial year ended 31 December 2013.

The cooperation agreement and equity transfer agreement do not constitute a notifiable transaction of the Company under the Listing Rule. Subsequently, the said 51% equity interest transfer was completed on 27 March 2014.

Save as disclosed above, the Group has not made any other material acquisition or disposal of subsidiaries or associated companies for the year ended 31 March 2014.

EMPLOYEES

As at 31 March 2014, the Group employed around 50 employees in Hong Kong, Macau and Mainland China (31 March 2013: 47). 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 Company and the Group had no contingent liabilities as at 31 March 2014.

FINAL DIVIDEND

Since tough environment and challenges are expected due to weaker PRC economy and slower recovery of both US and ECU, at the same time no profit has been recorded by the Group during the year, the Board does not recommend the payment of a final dividend for the year ended 31 March 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the annual general meeting of the Company to be held on Friday, 20 June 2014, the register of members of the Company will be closed from Thursday, 19 June 2014 to Friday, 20 June 2014, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18 June 2014.

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 of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. During the year ended 31 March 2014, the Company was in compliance with all code provisions set out in the Code on CGP except for the deviations from code provisions A.2.1, A.4.1, A.4.2 and E.1.2 of the Code on CGP, which are explained below.

1. Code provision A.2.1 of the Code on CGP requires the roles of the Chairman of the Board and Chief Executive Officer should be separate and should not be performed by the same individual.

   Dr. Lee Yuk Lun, JP was appointed as an Executive Director on 31 August 2007 and was elected Chairman of the Board from 15 March 2010 to 6 August 2013. On 6 August 2013, Mr. Lai Leong was appointed as an Executive Director and was elected Chairman of the Board.

   Upon their appointment as the Chairman of the Board, they also takes up the role of the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman of the Board 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. Code provision A.4.1 of the Code on CGP requires the non-executive directors should be appointed for a specific term and subject to re-election. During the year ended 31 March 2014, the terms of appointment of the three independent non-executive Directors expired and thereafter they are not appointed for a specific term, but they are subject to the 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 (the "Bye-Laws").

3. Code provision A.4.2 of the Code on CGP 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 Code on CGP, 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.

4. Code Provision E.1.2 of the Code on CGP requires the Chairman of a listed issuer should attend the issuer's annual general meeting. Dr. Lee Yuk Lun, JP, the Chairman of the Board, was unable to attend the Company's 2013 AGM as he had another important business engagement. Despite his absence, he had arranged for Mr. Lam Kwan Sing, the Company's executive director who is well versed in all the business activities and operations of the Group, to attend and chair the meeting and communicate with the shareholders. All the other members also attended the 2013 AGM to give shareholders an opportunity of having a direct dialogue with the Board members.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Code on CGP during the year ended 31 March 2014.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2014.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines"), governing securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its directors and relevant employees in advance.

CHANGE IN INFORMATION OF DIRECTORS

During the year ended 31 March 2014, pursuant to Rule 13.51B(1) of the Listing Rule, the changes in information of the Directors are set out below:

On 6 August 2013, Dr. Lee Yuk Lun, JP, was relinquish his role as Chairman of the Board and Chief Executive Officer of the Company, a member and the chairman of the Nomination Committee and the authorized representative of the Company. He was resigned as an Executive Director of the Company on 27 January 2014.

On 6 August 2013, Mr. Lai Leong has been appointed as an Executive Director, Chairman of the Board and Chief Executive Officer of the Company and a member and the chairman of the Nomination Committee of the Company.

Mr. Lai Leong ("Mr. Lai") has entered a formal letter of appointment with the Company on 6 August 2013 with no fixed terms of employment and he is entitled to receive a monthly director's remuneration in the sum of HK$100,000 which is determined with reference to his duties and responsibilities, the prevailing market conditions and the recommendation from the remuneration committee. Mr. Lai is not appointed for a specific term but, in accordance with the Bye-Laws of the Company, he shall hold office of Executive Director subject to retirement by rotation and re-election at the annual general meeting of the Company.

On 6 August 2013, Mr. Lam Kwan Sing, as an Executive Director of the Company, has been appointed as the authorized representative of the Company for the purpose of Rule 3.05 of the Listing Rules.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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 statements 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 the Group's senior management 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 2014.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This results announcement is published on the website of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk under "Latest Information" and the 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 of Hong Kong Limited and the Company in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on 20 June 2014. 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 websites of both the Stock Exchange of Hong Kong Limited and the Company.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank all 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 in 2013 and looking forward for the same could extend to the Group in 2014.

DIRECTORS OF THE COMPANY

Mr. Lai Leong, Mr. Kong Shan, David, Mr. Lam Kwan Sing, Mr. Wong Nga Leung and Mr. Hon Ming Sang are the executive directors of the Company; and Mr. Fok Ho Yin, Thomas, Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia are the independent non-executive directors of the Company.

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

Hong Kong, 9 May 2014