昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

The board of directors (the "Board") of Hao Tian Development Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014 together with the comparative figures for the corresponding period in 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	NOTES	**2014** ***HK$'000***	2013 *HK$'000* (Restated)
Continuing operations			
Revenue	*4*	**40,323**	–
Other income	*6*	**5,523**	2,760
Other gain and loss	*7*	**(59,733)**	(71,914)
Administrative expenses		**(78,486)**	(55,798)
Other expenses		**–**	(4,596)
Finance costs	*8*	**(14,236)**	(1,293)
Loss before taxation		**(106,609)**	(130,841)
Taxation	*9*	**(256)**	–
Loss for the year from continuing operations	*10*	**(106,865)**	(130,841)
Discontinued operations			
Profit (loss) for the year from discontinued operations	*11*	**94,406**	(88,485)
Loss for the year		**(12,459)**	(219,326)

	NOTE	2014 HK$'000	2013 HK$'000 (Restated)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Reclassification adjustments relating to foreign operations disposed of during the year		**(87,686)**	(120,505)
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments:			
– fair value changes		**193,626**	(4,011)
– impairment loss recognised		**24,613**	15,555
– reclassified to profit or loss upon disposal		**(29,061)**	3,327
– reclassification adjustments relating to foreign operations disposed		**(2,126)**	–
Exchange difference arising on translation of foreign operations		**12,591**	15,458
Other comprehensive income (expense) for the year, net of tax		**111,957**	(90,176)
Total comprehensive income (expense) for the year		**99,498**	(309,502)
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operations		**(106,821)**	(130,839)
– from discontinued operations		**94,406**	(88,485)
Loss for the year attributable to owners of the Company		**(12,415)**	(219,324)
Loss for the year from continuing operations attributable to non-controlling interests		**(44)**	(2)
		(12,459)	(219,326)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**99,542**	(309,500)
Non-controlling interests		**(44)**	(2)
		99,498	(309,502)
Loss per share	*12*		
From continuing and discontinued operations			
– Basic and diluted *(HK cents)*		**(0.31)**	(5.58)
From continuing operations			
– Basic and diluted *(HK cents)*		**(2.69)**	(3.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
Non-current assets			
Property, plant and equipment		**73,410**	86,352
Investment property		**–**	961
Interests in associates		**–**	19
Amounts due from associates		**–**	3,669
Available-for-sale investments		**1,056,319**	173,479
Financial assets designated at fair value through profit or loss		**4,745**	21,556
Derivative financial instruments		**550,573**	–
Loan receivables	*14*	**6,572**	30,572
Deposits		**151,011**	150,991
Deferred tax assets		**–**	205
		1,842,630	467,804
Current assets			
Inventories		**2,776**	19,277
Trade and bills receivables	*13*	**80,473**	13,395
Other receivables, deposits and prepayments		**9,332**	7,424
Loan receivables	*14*	**267,035**	110,000
Consideration receivables	*15*	**166,946**	149,875
Investments held for trading		**–**	142
Tax recoverable		**–**	6,075
Pledged bank deposits		**44,613**	–
Bank balances and cash		**416,322**	283,231
		987,497	589,419
Assets classified as held for sale	*16*	**–**	1,631,993
		987,497	2,221,412

	NOTES	2014 HK$'000	2013 HK$'000
Current liabilities			
Trade and bills payables	*17*	**24,748**	7,832
Other payables, deposits received and accruals		**8,866**	21,112
Secured notes	*18*	**–**	122,582
Borrowings	*19*	**210,000**	–
Tax payables		**18,656**	23,804
		262,270	175,330
Liabilities associated with assets classified as held for sale	*16*	**–**	65,462
		262,270	240,792
Net current assets		**725,227**	1,980,620
Total assets less current liabilities		**2,567,857**	2,448,424
Non-current liabilities			
Retirement benefits obligations		**–**	1,121
Borrowings	*19*	**14,000**	–
		14,000	1,121
Net assets		**2,553,857**	2,447,303
Capital and reserves			
Share capital	*20*	**198,602**	196,527
Reserves		**2,350,301**	2,180,597
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets classified as held for sale		**–**	65,181
Equity attributable to owners of the Company		**2,548,903**	2,442,305
Non-controlling interests		**4,954**	4,998
Total equity		**2,553,857**	2,447,303

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. GENERAL

The Company was incorporated in the Cayman Islands on 30 September 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is a public limited company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporation Information section of the annual report.

Pursuant to the special resolution of the Company dated 27 September 2013, the name of the Company has been changed from Hao Tian Resources Group Limited to Hao Tian Development Group Limited with effect from 2 October 2013.

The principal activities of the Company are investment holding and provision of management service to its subsidiaries.

The Group's consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
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
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) – INT 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.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKRFS 11	Accounting for acquisitions of interests in joint operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[6]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle[2]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
HK(IFRIC) – INT 21	Levies[1]

[1] *Effective for annual periods beginning on or after 1 January 2014*

[2] *Effective for annual periods beginning on or after 1 July 2014*

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

[4] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions*

[5] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016*

[6] *Effective for annual periods beginning on or after 1 January 2016*

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.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets, for example, certain of the Group's available-for-sale investments currently measured at cost less impairment may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 12 "Disclosure of interests in other entities"

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 "Fair value measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions.

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

4. REVENUE

Revenue represents interest income generated from lending of money to outside borrowers and income from rendering of services generated when the services are provided. An analysis of the Group's revenue for the year from continuing operations is as follows:

	2014	2013
	HK$'000	*HK$'000*
Interest income generated from lending of money	**39,144**	–
Service income generated from trading of commodities	**1,179**	–
	40,323	–

5. SEGMENT INFORMATION

The Group is currently organised into below operating divisions:

(a) Money lending – Hao Tian Finance Company Limited

(b) Trading of commodities – Hao Tian Management (Hong Kong) Limited, Hao Tian Oil & Gas Development Group Limited and Hao Tian Hua Chen International Group Limited

The operating divisions are the basis of internal reports about components of the Group that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, in order to allocate resources to segments and to assess their performance.

Money lending has been regarded as a reportable segment of the Group during the current year. The Group obtained a HK$450,000,000 banking facility from a bank to develop money lending business. Of the total banking facility, an initial commitment of HK$200,000,000 has been approved by the bank and the remaining HK$250,000,000 is subject to the bank's further approval after submission of request by the Group. The banking facility is secured by certain of the Group's assets, including the Group's available-for-sale investments of HK$205,800,000, the entire issued share capital of Hao Tian Finance Company Limited and its immediate holding company, Guo Guang Limited, certain bank accounts of Hao Tian Finance Company Limited and a yacht of the Group. As at 31 March 2014, the Group has drawn HK$193,000,000 in respect of this banking facility.

Trading of commodities is another new business segment of the Group. In order to further diversify the Group's business coverage of different industries, the Group has started indent trading of commodities. The Group obtained HK$70,000,000 banking facilities from banks to develop trading of commodities business. As at 31 March 2014, the banking facilities are secured by deposits of HK$40,000,000 and the Group has drawn HK$17,000,000 in respect of these banking facilities.

The Group's operations in respect of sale of plastic and paper boxes for luxury consumer goods ("Package Box Operation") and developing of underground coking coal mine, coal production and sale of coal (the Group's "Inner-Mongolia Coal Mining Operation" and "Xinjiang Coal Mining Operation") were discontinued during the current year. The segment information reported below does not include any amounts for the Group's Package Box Operation, Inner-Mongolia Coal Mining Operation and Xinjiang Coal Mining Operation.

No segment assets and liabilities are presented as the chief operating decision maker does not regularly review segment assets and liabilities.

Segment revenue and results

The following is an analysis of the Group's revenue and results for continuing operations by operating and reportable segment.

For the year ended 31 March 2014

	Money lending *HK$'000*	**Trading of commodities** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue	**39,144**	**105,181**	**144,325**
Less: Cost of commodities transactions	**–**	**(104,002)**	**(104,002)**
Revenue as presented in the consolidated statement of profit or loss and other comprehensive income	**39,144**	**1,179**	**40,323**
Segment results from continuing operations	**39,144**	**1,179**	**40,323**
Other income			**5,523**
Other gain and loss			**(59,733)**
Central administration costs			**(78,486)**
Finance costs			**(14,236)**
Loss before taxation from continuing operations			**(106,609)**

For the year ended 31 March 2013 (Restated)

	Money lending *HK$'000*	Trading of commodities *HK$'000*	Consolidated *HK$'000*
Segment revenue	–	–	–
Segment results from continuing operations	–	–	–
Other income			2,760
Other gain and loss			(71,914)
Central administration costs			(55,798)
Other expenses			(4,596)
Finance costs			(1,293)
Loss before taxation from continuing operations			(130,841)

6. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest earned on bank deposits	**1,085**	366
Interest earned on loan receivables (other than money lending business)	**1,113**	1,995
Sundry income	**3,028**	399
Dividend income from available-for-sale investments	**297**	–
	5,523	2,760

7. OTHER GAIN AND LOSS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Fair value (loss) gain on derivative financial instruments	**(49,534)**	43
Fair value gain (loss) on secured notes	**4,010**	(20,812)
Fair value gain (loss) on financial assets at FVTPL	**10,189**	(30,872)
Loss on disposal of property, plant and equipment	**(57)**	(185)
Gain (loss) on disposal of available-for-sale investments	**28,563**	(3,327)
Net foreign exchange gain (loss)	**1,709**	(1,206)
Impairment loss on available-for-sale investments	**(54,613)**	(15,555)
	(59,733)	(71,914)

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Imputed interest expense on convertible notes	**–**	1,293
Interest expense on borrowings		
– wholly repayable within five years	**14,046**	–
– not wholly repayable within five years	**190**	–
	14,236	1,293

Note: During the year ended 31 March 2014, interest expense of HK$7,947,000 (2013: nil) was incurred for borrowings obtained solely for the Group's lending of money business and trading of commodities which were wholly repayable within five years.

9. TAXATION

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Underprovision in prior years:		
Hong Kong	**256**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profit Tax has been made for both years since there was no assessable profit for both years.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

10. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Loss for the year from continuing operations has been arrived at after charging:		
Auditor's remuneration	**1,112**	1,480
Depreciation of property, plant and equipment	**5,526**	1,927
Operating lease rentals in respect of rented premises	**10,199**	8,479
Staff costs:		
Directors' emoluments	**2,885**	4,606
Chief executive's emoluments	**2,818**	3,755
Other staff costs		
– salaries, bonus and other allowances	**21,159**	11,401
– retirement benefit scheme contributions	**901**	336
– share-based payments	**1,767**	6,471
	29,530	26,569

11. DISCONTINUED OPERATIONS

The combined results of the discontinued operations (i.e. the Inner-Mongolia Coal Mining Operation, Xinjiang Coal Mining Operation and Package Box Operation) included in the loss for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include the Package Box Operation, which was classified as discontinued operation in the current year.

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Profit (loss) for the year from discontinued operations is analysed as follows:		
Revenue	**161,445**	145,510
Cost of sales	**(106,268)**	(117,215)
Other income, gain and loss	**6,274**	4,237
Share of result of associates	**8**	18
Distribution and selling costs	**(7,404)**	(2,713)
Administrative expenses	**(39,283)**	(44,293)
Written off of deposits for purchase of property, plant and equipment	**–**	(86,693)
Other expenses	**–**	(266)
Finance costs – interest on borrowings wholly repayable within five years	**(1,060)**	(2,365)
Tax charge	**(7,722)**	(2,203)
	5,990	(105,983)
Gain on disposal of operations	**88,416**	141,619
Attributable income tax expenses	**–**	(124,121)
Profit (loss) for the year from discontinued operations	**94,406**	(88,485)

12. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(12,415)**	(219,324)

	2014	2013
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**3,965,303**	3,927,700

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to owners of the Company	**(12,415)**	(219,324)
Add: (Profit) loss for the year from discontinued operations	**(94,406)**	88,485
Loss for the purposes of calculating basic and diluted loss per share from continuing operations	**(106,821)**	(130,839)

The denominators used are the same as those detailed above for basic and diluted loss per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share from discontinued operations is HK2.38 cents (2013: loss of HK2.25 cents), based on the profit for the year from discontinued operations of HK$94,406,000 (2013: loss of HK$88,485,000) and the denominators detailed above for both basic and diluted loss per share from continuing operations.

For the year ended 31 March 2014 and 2013, the computation of diluted loss/earnings per share for both continuing and discontinued operations did not assume the exercise of the Company's outstanding share options and warrants, since the assumed exercise would reduce loss per share from continuing operations.

13. OTHER CURRENT FINANCIAL ASSETS

Trade and bills receivables

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**9,774**	13,178
Bills receivable	**–**	217
Interest receivables in relation to money lending business	**13,072**	–
Bills receivables arising from trading of commodities	**57,627**	–
	80,473	13,395

The Group allows an average credit period of 30 to 60 days to its customers of sale of plastic and paper boxes for luxury consumer goods business, 90 days to its customers of trading of commodities business and 120 to 180 days to its customers of sale of coal. The aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, is stated as follows:

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**17,357**	9,351
31 to 60 days	**2,106**	2,533
61 to 90 days	**19,306**	1,006
91 to 180 days	**28,632**	505
	67,401	13,395

14. LOAN RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Non-current:		
Promissory note	**–**	25,000
Interest Bearing ICube Bond	**5,572**	5,572
Secured loan receivable from a third party, bearing interest at 20% per annum and repayable in Year 2024	**1,000**	–
	6,572	30,572
Current:		
Promissory note	**25,000**	–
Secured, bearing interest at 36% per annum and repayable in Year 2014	**57,000**	–
Secured, bearing interest at 22% per annum and repayable in Year 2014	**100,000**	–
Secured, bearing interest at 15% per annum and repayable in Year 2014	**6,000**	–
Secured, bearing interest at 25% per annum and repayable in Year 2014	**20,000**	–
Secured, bearing interest at 30% per annum and repayable in Year 2014	**10,535**	–
Secured, bearing interest at 24% per annum and repayable in Year 2013	**–**	50,000
Unsecured, bearing interest at 30% per annum and repayable in Year 2014	**48,500**	–
Unsecured, bearing interest at 20% per annum and repayable in Year 2013	**–**	60,000
	267,035	110,000
	273,607	140,572

15. CONSIDERATION RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Consideration receivables from		
Menggang Group Disposal *(Note i)*	**151,244**	149,875
Winbox Group Disposal *(Note ii)*	**5,702**	–
Disposal of available-for-sale investments *(Note iii)*	**10,000**	–
	166,946	149,875

Notes:

(i) Consideration receivable from disposal of the Menggang Group

On 7 September 2011, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group, Inner-Mongolia Shuangxin Resources Group Co., Ltd. (the "Purchaser"). Pursuant to this sale and purchase agreement, the Group agreed to dispose of Wuhai City Menggang Industrial Development Co., Ltd. and its subsidiaries (collectively referred to as the "Menggang Group") (the "Menggang Group Disposal"), which operated the Group's coal mines in the Inner-Mongolia Autonomous Region in the PRC (the "Inner-Mongolia Coal Mining Operation"), for a cash consideration of RMB1,503,000,000 ("Total Consideration"). The Menggang Group Disposal was completed on 30 May 2012. The Total Consideration shall be satisfied by four instalments: RMB781,560,000 by completion; RMB420,840,000 by 90 days subsequent to the completion; RMB225,450,000 by 180 days subsequent to the completion and the remaining RMB75,150,000 by fifteen months subsequent to the completion. On 19 November 2012, the Group and the Purchaser entered into a supplemental agreement in relation to the Menggang Group Disposal ("Supplemental Agreement"), pursuant to which the Group and the Purchaser agreed to reduce the Total Consideration by RMB75,000,000. Such reduction shall be settled by deducting the third installment by RMB40,000,000 and deducting the final installment by RMB35,000,000.

On 6 December 2012, the Purchaser received a notice (the "Notice") from the tax bureau of Wuhai City Hainan District in the Inner Mongolia Autonomous Region (the "Tax Bureau"), pursuant to which, the Tax Bureau requested the Purchaser to withhold additional business tax of RMB80 million. The directors of the Company are of the view that such additional business tax is not applicable to this transaction. Hence, the Group negotiated with the Tax Bureau and finally the Tax Bureau revoked the Notice on 3 April 2013. However, the Purchaser continues to withhold this RMB80 million.

On 16 May 2013, an arbitration was filed by the Group to China International Economic and Trade Arbitration Commission (the "Commission") to claim this unsettled amount. On 8 August 2013, the Purchaser has provided its written defence to the arbitration court and argued that the Notice issued by the Tax Bureau did not clearly state that additional business tax is not applicable to this transaction and the Tax Bureau's revocation the Notice could not remove the obligation for the Purchaser to withhold and pay the additional business tax.

During the year ended 31 March 2014, the final installment of the Total Consideration, RMB40,150,000 has been due. On 8 October 2013, the Purchaser filed a counter arbitration request to the Commission and claimed that the Group had failed to fulfil certain terms and obligations in accordance with the sale and purchase agreement. Due to this non-compliance, the Purchaser has to incur additional costs before the Menggang Group's coal mines could be put into operations. Therefore, the Purchaser withheld the final installment of the Total Consideration and claimed an aggregate compensation amount of approximately RMB65 million (approximately HK$82 million).

In view of the Notice was revoked by Tax Bureau and the directors considered that the Group had fully complied with the terms of the sale and purchase agreement after taking legal advice, in the opinion of the directors, the Group has a meritorious ground on the arbitrations, so the risk of not recovering of the amount is minimal, and no impairment loss is required as at 31 March 2014.

As at 31 March 2014 and 2013, the remaining unsettled consideration of RMB120,150,000 (or equivalent to HK$151,244,000; 31 March 2013: HK$149,875,000) was included in the consolidated statement of financial position as consideration receivable.

(ii) Consideration receivable from disposal of the Winbox Group

On 16 December 2013, the Group entered into a sale and purchase agreement with Goodwill International (Holdings) Limited ("Goodwill International") to dispose of the entire 100% equity interest of Winbox (BVI) Limited and its subsidiaries (the "Winbox Group"), which operated the Group's Package Box Operation for a total consideration of HK$80,000,000 (the "Winbox Group Disposal"). The consideration will be satisfied by (i) HK$6,500,000 by way of cash payment at the date of the completion of the Winbox Group Disposal; (ii) cash consideration of HK$6,500,000 which will be settled at the first anniversary date of the date of the completion of the Winbox Group Disposal; and (iii) issue of 39,000,000 new shares (the "Consideration Shares") of HK$0.5 each at HK$1.7179 per share of Goodwill International, which represents approximately 7.54% of the enlarged equity interests of Goodwill International.

The Winbox Group Disposal was completed on 14 March 2014. As part of the cash consideration will be settled on 14 March 2015, fair value of this consideration receivable is estimated by using discounted cash flow method with imputed interest rate of 14% per annum at initial recognition and subsequently measured at amortised cost.

As at 31 March 2014, the carrying amount of the cash consideration was HK$5,702,000.

(iii) Consideration receivable from disposal of available-for-sale investments

During the year ended 31 March 2014, the Group disposed of its investment in an unlisted company at a consideration of HK$20,000,000. The consideration will be settled by four instalments: HK$5,000,000 by completion; HK$5,000,000 by 8 February 2014; HK$5,000,000 by 8 May 2014; and HK$5,000,000 by 8 August 2014. As at 31 March 2014, HK$10,000,000 was unsettled.

16. ASSETS CLASSIFIED AS HELD FOR SALE

On 12 October 2012, the Group and Up Energy Mining Limited, an independent third party, entered into a sale and purchase agreement ("S&P Agreement"). Pursuant to the S&P Agreement, the Group conditionally agreed to dispose of its entire interest in Champ Universe Limited and its subsidiaries (collectively referred as the "Champ Universe Group"), which operates the Group's coal mines in the Xinjiang Uygur Autonomous Region in the PRC (the "Xinjiang Coal Mining Operation") and to assign HK$1.6 billion shareholder's loan at a consideration of HK$1,580,000,000 subject to adjustments pursuant to the terms of the S&P Agreement (the "Champ Universe Disposal").

The consideration shall be satisfied by: (i) issue of 367,500,000 shares of Up Energy Development Group Limited ("Up Energy"), ultimate holding company of Up Energy Mining Limited with its shares listed on the Stock Exchange, at an issue price of HK$2 per share ("Up Energy Share(s)"). However, if as at the third anniversary of the completion date of this disposal ("Third Anniversary Date"), the average closing price of the Up Energy Share for the five trading days immediately preceding and including the Third Anniversary Date is less than HK$2 per share, Up Energy shall allot and issue additional new Up Energy Share to the Company (the "Top-up Options"); (ii) HK$845,000,000 by way of cash payment; (iii) put option granted to the Company, pursuant to which, as at the Third Anniversary Date, the Company has the right to request Up Energy to arrange for the sale of the Up Energy Shares (the "Put Options"), up to a maximum of 140,000,000 shares by way of placing through an independent qualified placing agent nominated by Up Energy at a price to be agreed between Up Energy and such placing agent ("Placing Price"). If the Placing Price is less than HK$2.2 per share, Up Energy shall pay the shortfall as cash compensation to the Company.

On 28 June 2013, the Champ Universe Disposal was completed.

As at 31 March 2013, the assets and liabilities attributable to the Champ Universe Group to be sold within twelve months had been classified as assets and liabilities held for sale and were separately presented in the consolidated statement of financial position. The Xinjiang Coal Mining Operation for the current and prior years were presented as discontinued operation.

	2013
	HK$'000
Assets of the Champ Universe Group:	
Property, plant and equipment	33,328
Prepaid lease payments	1,898
Mining rights	1,568,091
Deposits	7,973
Inventories	13,917
Trade receivables	1,980
Other receivables and prepayments	775
Bank balances and cash	4,031
Total assets classified as held for sale	1,631,993
Liabilities of the Champ Universe Group:	
Trade payables	2,039
Other payables	13,252
Provision for restoration and environment costs	6,802
Borrowings	33,369
	55,462
Deposit received from Up Energy	10,000
Total liabilities associated with assets classified as held for sale	65,462

17. OTHER CURRENT FINANCIAL LIABILITIES

Trade and bills payables

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**–**	7,832
Bills payable arising from trading of commodities	**24,748**	–
	24,748	7,832

Trade and bills payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases for sale of plastic and paper boxes for luxury consumer goods business is 30 to 60 days and for trading of commodities is 0 to 90 days. The aged analysis of trade and bills payables based on the invoice date at the end of the reporting period is stated as follows:

	2014	2013
	HK$'000	*HK$'000*
0 to 30 days	**23,264**	6,345
31 to 60 days	**1,484**	1,220
61 to 90 days	**–**	184
91 to 180 days	**–**	83
	24,748	7,832

18. SECURED NOTES

On 6 September 2012, the Company entered into an investment agreement (the "Investment Agreement") with Cheer Hope Holdings Limited, an independent third party subscriber (the "Investor"), pursuant to which, the Company agreed to issue and the Investor agreed to subscribe for a note (the "Notes") in the aggregate principal amount of up to US$40,000,000. Pursuant to the Investment Agreement, the Company also agreed to issue warrants to the Investor (the "Warrants") to subscribe the Company's ordinary shares with an aggregate exercise price of up to US$10,000,000 for a period of one year commencing from the date of issue of the Warrants. The subscription price of the Warrants had not been agreed by the Company and the Investor. On 4 October 2012, the Company and the Investor entered into an agreement, pursuant to which, the date to agree on the subscription price of the Warrants was extended to 31 December 2012. On 24 December 2012, the Company and the Investor further entered into an agreement (the "Supplementary Investment Agreement"), pursuant to which, the Company and the Investor agreed that the Warrants would not be issued and the Company's obligation to issue the Warrants was released.

The maturity date of the Notes was one year after the issue date. The Notes bore fixed interest rate at 17% per annum. The Notes might be early redeemed in whole or in part by the Company at 100% of the principal amount of the Notes to be redeemed and together with all accrued interest.

The Notes were secured by equity charges of certain subsidiaries of the Company.

On 12 September 2012, the Company issued the Notes with principal amount of US$16,000,000 (equivalent to HK$123,880,000) for cash proceeds of HK$113,358,000. The Group designated the Notes as financial liabilities at FVTPL at initial recognition.

On 3 April 2013, the Company issued the remaining portion of the Notes with principal amount of US$24,000,000 (equivalent to HK$185,820,000) for cash proceeds of HK$170,210,000. On 8 May 2013, the Company fully redeemed the entire Notes (including the principal amount of US$16,000,000 issued at 31 March 2013) by cash of HK$293,715,000 with fair value gain of HK$4,010,000 recognised in profit or loss.

19. BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Bank overdrafts – secured	**17,000**	–
Bank loans – secured	**193,000**	–
Other borrowings – unsecured	**14,000**	–
	224,000	–

20. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.05 each		
Authorised:		
At 1 April 2012, 31 March 2013 and 2014	10,000,000,000	500,000
Issued and fully paid:		
At 1 April 2012	3,927,535,804	196,377
Shares issued upon exercise of warrants	3,000,000	150
At 31 March 2013	3,930,535,804	196,527
Share issued upon exercise of warrants	41,500,000	2,075
At 31 March 2014	3,972,035,804	198,602

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW

Money Lending Business

During the year ended 31 March 2014, the money lending business of the Group recorded a revenue of approximately HK$39.1 million and a net profit of approximately HK$39.1 million respectively. This is a new business segment of the Group with main business areas in provision of personal loans and mortgage loans. Income from the money lending business has become one of the major revenue streams of the Group. The Group has operated its money lending business through Hao Tian Finance Company Limited ("Hao Tian Finance"), a wholly-owned subsidiary of the Company and a holder of money lender licence. Initially Hao Tian Finance commenced its lending business by granting loans to high net worth clients. To be in line with the strategic development plan of the Group, Hao Tian Finance has recently expanded into the mortgage loans area, thereby expanding its loan portfolio and moving to optimize the operational scale in the future. The funding for the money lending business is financed through bank loans as well as the Group's internal resources and the Board will continue to assess its financing needs and options for further expansion of this segment.

Natural Gas Business

During the year ended 31 March 2014, the Group obtained approvals from the local governments in the Xinjiang Uygur Autonomous Region, subject to the land planning, safety and environmental protection requirements, to construct eight LNG fueling stations in the region, and entered into a 20 years gas supply agreement with a representative company of the Kuche County People's Government.

Having considered the social instability in Xinjiang, the Group has been adopting stringent and prudent approach in the development plan and its implementation schedule for its natural gas projects in Xinjiang and will adjust the development plan and pace as and when appropriate.

As the Group's natural gas business was still at the preliminary stage during the year under review, hence no revenue was recorded.

Trading of Commodities Business

Given the demand for commodities has been driven by the global economic recovery, the Group has begun to engage in the commodities trading business, which mainly covers raw materials. During the year under review, the commodities trading business, another new business segment of the Group, recorded a gross segment revenue of approximately HK$105.2 million and a net profit of approximately HK$1.2 million respectively.

Coal Mining Business

During the year ended 31 March 2014, the Group disposed of its entire interests in a coal mine in Baicheng County operated by Baicheng Wenzhou Mining Development Co., Ltd (拜城溫州礦業開發有限公司) at a total consideration of HK$1,580.0 million. The Group recorded a net gain of approximately HK$87.2 million from this transaction.

Packaging Box Business

During the year ended 31 March 2014, the Group disposed of its entire equity interest in Winbox (BVI) Limited, which through its subsidiaries engaged in the manufacturing and sale of luxury packaging boxes, at a total consideration of HK$80.0 million. The Group recorded a net gain of approximately HK$1.2 million from this disposal.

FINANCIAL REVIEW

Other Gain and Loss

For the year ended 31 March 2014, the Group recorded a total net loss from continuing operations of approximately HK$59.7 million (2013: HK$71.9 million). The loss was mainly attributable to (i) fair value loss on derivative financial instruments and (ii) impairment loss on available-for-sale investments, and it was partially offset against gain realized on disposal of available-for-sale investments.

Administrative Expenses

For the year ended 31 March 2014, administrative expenses from continuing operations were approximately HK$78.5 million (2013: HK$55.8 million), representing an increase of approximately HK$22.7 million or 40.7% as compared with last year. Such increase was mainly due to increase in staff headcount, business development expenses and legal and professional fees incurred for diversified business operations.

Finance Costs

For the year ended 31 March 2014, finance costs from continuing operations were approximately HK$14.2 million (2013: HK$1.3 million), representing a substantial increase of approximately HK$12.9 million or 9 times as compared with last year. The increase was mainly due to the increase in interest expenses incurred on borrowings for the Group's money lending business.

Taxation

For the year ended 31 March 2014, the Group's income tax expense from continuing operations of approximately HK$0.3 million (2013: Nil) representing an increase of approximately HK$0.3 million as compared with last year. The increase was mainly due to underprovision of Hong Kong tax in previous years.

Owner's Attributable Loss

For the year ended 31 March 2014, the Group recorded a loss from continuing operations of approximately HK$106.9 million (2013: HK$130.8 million), while a profit from discontinued operations of approximately HK$94.4 million (2013: a net loss from discontinued operations of approximately HK$88.5 million).

The total net loss from continuing operations and discontinued operations attributable to the shareholders for the year ended 31 March 2014 was approximately HK$12.5 million (2013: HK$219.3 million), which represents a substantial improvement arising from one-off gain from disposal of the packaging business and the coal mine in Baicheng County and contribution from the money lending business of the Group.

The basic and diluted loss per share from continuing and discontinued operations was approximately HK0.31 cent (2013: HK5.58 cents).

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group funds its operations from a combination of internal resources, equity fund raising and financial instruments. As at 31 March 2014, the Group had cash and cash equivalents of approximately HK$460.9 million (2013: HK$283.2 million). As at 31 March 2014, the Group's working capital decreased to approximately HK$725.2 million (2013: HK$1,980.6 million). Such decrease was mainly resulted from the reclassification of assets mainly comprising assets attributable to the Baicheng coal mine previously classified as held for sale to available-for-sale investments.

As at 31 March 2014, the Group had outstanding borrowings of approximately HK$224.0 million (31 March 2013: HK$122.6 million). On 26 September 2013, the Group entered into a facility agreement with a bank, pursuant to which the bank made available to the Group a revolving loan facility of up to an aggregate of HK$450 million for an initial term of 12 months, subject to annual review by the bank. This facility was used solely to finance our money lending business and was secured by debenture or charges created over assets and shares of Hao Tian Finance and its immediate holding company as well as securities with fair market value of approximately HK$205.8 million as at 31 March 2014 and a yacht held by other members of the Group.

As at 31 March 2014, the Company issued 5.50% unsecured corporate bonds in the total amount of HK$14 million due on a date falling ninety months from the relevant issue dates for general corporate purposes. The bonds remain in good credit standing at the date of this announcement.

Save as stated, there were no other assets pledged at the reporting date.

Gearing ratio (a ratio of total borrowings to total assets) as at 31 March 2014 was approximately 7.9% (2013: 4.6%), such increase was mainly due to the increase in borrowings.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2014, there were $150 million capital commitments (2013: HK$924.7 million) in respect of addition of property, plant and equipment contracted for but not provided in the consolidated financial statements and authorized but not contracted for respectively.

The Group had no material contingent liabilities as at the close of business on 31 March 2014.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's sales are denominated mainly in Hong Kong dollars ("HKD"), United States dollars ("USD"), Euro ("EUR") and Renminbi ("RMB"). The Group's purchases and expenses are mostly denominated in HKD and RMB, and some in EUR and USD. The Group has certain foreign currency bank balances, investments held for trading, available-for-sale investments and investment in foreign operations, which are exposed to foreign currency exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arises.

EMPLOYEE INFORMATION

As at 31 March 2014, the Group had a total of approximately 70 employees (2013: 1,100 employees) in the PRC, Hong Kong. The Group provides a mandatory provident fund scheme for its employees in Hong Kong and the state-managed retirement benefit schemes for its employees in the PRC. The Group's remuneration policies are formulated according to market practices, experiences, skills and performance of individual employee and will be reviewed every year.

The Group has also adopted a share option scheme and a share award scheme. A summary of these schemes of the Group will be set out in note to the consolidated financial statements.

SIGNIFICANT LITIGATIONS

In connection with the sale and purchase agreement (the "**Menggang Agreement**") entered into between the Group and Inner-Mongolia Shuangxin Resources Group Co., Ltd, ("**Shuangxin**") for the sale and purchase of Wuhai City Menggang Industrial Development Co., Ltd. and its subsidiaries, which operated the Group's coal mines in the Inner-Mongolia Autonomous Region in the PRC, on 16 May 2013, the Group filed an arbitration claim to the China International Economic and Trade Arbitration Commission for the outstanding amount of RMB80,000,000 payable by Shuangxin under the Mengang Agreement. Shuangxin withheld the payment of RMB80,000,000 initially on the ground of a tax demand note issued from the local tax bureau, after revocation of the tax demand note, on the ground of non-fulfilment by the Group of certain terms and obligations under the Menggang Agreement. Shuangxin filed a counter claim for RMB65,000,000 on 8 October 2013. After taking PRC legal advice on the grounds and facts set out in the defense and counter claim filed by Shuangxin, the Board has been advised that the Group has a meritorious case to recover the outstanding amount and defense to the counter claim.

The final instalment in the amount of RMB30,500,000 payable by Shuangxin, which is in addition to the aforementioned RMB80,000,000, under the Mengang Agreement (as supplemented by a supplemental agreement dated 19 November 2012) has been due and owing. Another arbitration claim has been filed with the China International Economic and Trade Arbitration Commission for such outstanding amount.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") set out in Appendix 10 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 of conduct for Directors' securities transactions. The Company has made specific enquiry to all directors and all directors confirmed that they have fully complied with the Model Code for the year ended 31 March 2014.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

On 7 June 2013, the Group acquired a convertible bond with principal amount of HK$90 million issued by Mascotte Holdings Limited (a company listed on the main board of the Stock Exchange with stock code 136, "**Mascotte**") from an independent third party at a consideration of HK$90 million. Subsequently, on 17 June 2013, the bond was fully converted into 1,000,000,000 ordinary shares in Mascotte at the conversion price of HK$0.09 per share. The market value of such investment was HK$100 million as at 31 March 2014.

On 27 June 2013, a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement with Sunshine Zhong Xing Capital Holdings Limited (formerly known as Wealth Express Global Holdings Limited), a connected person within the meaning of the Listing Rules, to acquire a land of approximately 151,334 sq.m situated in the Urumqi, the Xinjiang Uygur Autonomous Region, which is proposed to be used for logistics and warehousing development purpose. The total consideration was adjusted from HK$300 million to HK$150 million, to be satisfied in full by transfer of a refundable deposit of HK$150 million paid to the seller.

On 28 June 2013, the Group completed the disposal of the entire interest in Champ Universe Limited, which was a wholly-owned subsidiary of the Company holding the entire interest of coal mine located at Baicheng County, to Up Energy Mining Limited, an independent third party at the consideration of HK$1,580,000,000.

On 22 July 2013, the Group acquired 45,000,000 ordinary shares of HK$0.10 each in the share capital of HEC Capital Limited ("**HEC**"), representing approximately 5.04% of the issued shares of HEC, at a cash consideration of HK$270 million from an independent third party. HEC is an investment holding company incorporated in the Cayman Islands with limited liability whose subsidiaries are principally engaged in property investment, investment advisory and financial services, investment in securities trading and money lending.

On 16 December 2013, the Group entered into a sale and purchase agreement with a connected party, Goodwill International (Holdings) Limited, at a total consideration of HK$80,000,000 for the disposal of the entire interest in Winbox (BVI) Limited, which was a wholly-owned subsidiary of the Company holding the entire interest of packaging box business in the PRC and France. The disposal was completed on 14 March 2014.

Save as disclosed above, the Group has no other significant investment, material acquisition and disposal after the end of the year.

BUSINESS PROSPECT

The long term development strategy of the Group is to actively lay down the foundation and strength of its existing businesses and further diversify its businesses, and the Board believes that diversity and flexibility will allow the Group to effectively manage opportunities and risks in response to market conditions and create value and improve the performance of the Group.

The Group is still optimistic about the prospect of the licenced money lending sector in Hong Kong. As driven by the favourable economic conditions, the Group plans to increase its efforts in expanding the mortgage loan business. It is expected that good consumer sentiment with the favourable policies for real estate market in Hong Kong will gradually rejuvenate the property transaction market, and thus provide a continuous support for the money lending business. Looking forward, the Group will capitalise on the development trend to expand continuously its loan portfolio and customer base.

With the society's increasing awareness in environmental protection and the proportionate adjustment of energy consumption in China, clean energy will enter an important development stage. It is the strategy of the Group to actively grasp the investment opportunities in clean energy sector through making full use of various channels like self-development, merger and acquisition, cooperation development, with a view to creating value for the shareholders.

In line with the long term development plan of the Group in Xinjiang, the Group has been working closely with the counter-party to complete the acquisition of a land located in Urumqi with a site of approximately 151,334 sq.m. designated for logistics and warehousing development purpose, subject to fulfillment of certain conditions. This underlines the Group's confidence in becoming a service provider of logistics and warehousing services to enterprises in Xinjiang in the foreseeable future.

The Group will continue to explore other business opportunities and has taken initiatives to optimise its financial structure, including proposed open offer of new shares, issue of non-convertible corporate bonds and will continue its prudent financing strategies to obtain diversified funding from banks and capital markets at competitive rates, so as to continue to grow and capture the opportunities lie ahead.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures that are consistent with the "Corporate Governance Code" (the "CG Code") set out in Appendix 14 to the Listing Rules. The corporate governance principles of the Company emphasize on a quality board of directors, sound internal control, transparency and accountability to all shareholders of the Company.

The Board is of the opinion that the Company has complied with the code provisions as set out in the CG Code, which were in force at the material time for the financial year ended 31 March 2014, except that the nomination committee is chaired by an executive Director instead of an independent non-executive Director because the Board believe that an executive Director involved in operations of the Company may be better positioned to review the composition of the Board so as to complement the Group's corporate strategy.

DIVIDEND

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

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2014 as set out in preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

AUDIT COMMITTEE

The Company established an audit committee on 16 May 2006 with reference to "A Guide for the Formation of an audit committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee are consistent with the code provisions as set out in the CG Code and are available on the Company's website. The audit committee has reviewed the audited financial statements and annual results announcement of the Company for the year ended 31 March 2014.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.haotianhk.com) and that of the Stock Exchange (www.hkex.com.hk). The 2013/14 annual report of the Company containing all information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By order of the Board of
Hao Tian Development Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 27 June 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Hai Ying, Dr. Zhiliang Ou, JP *(Australia) and Mr. Fok Chi Tak and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Ma Lin, and Mr. Lam Kwan Sing.*