Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

REX Global Entertainment Holdings Limited
御濠娛樂控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 164)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL RESULTS

The board of directors (the "Board") of REX Global Entertainment Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2015 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Revenue	3	**80,564**	41,018
Other income and gains (losses)	3	**18,052**	1,078
		98,616	42,096
Cost of sales		**(9,198)**	(41,358)
Loss on disposal of subsidiaries	12	**(25,183)**	–
Administrative expenses		**(116,071)**	(25,201)
Loss from operations		**(51,836)**	(24,463)
Finance costs	4	**(15,317)**	(30,294)
Loss before taxation	5	**(67,153)**	(54,757)
Taxation	6	**21**	34
Loss for the year		**(67,132)**	(54,723)

	Note	**2015**	2014
		HK$'000	*HK$'000*
Loss attributable to:			
Equity shareholders of the Company		**(67,899)**	(51,471)
Non-controlling interests		**767**	(3,252)
		(67,132)	(54,723)
			(Restated)
Loss per share for loss attributable to equity shareholders of the Company	*7*		
Basic and diluted		**(1.07) cents**	(1.08) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(67,132)**	(54,723)
Other comprehensive (expense) income:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries		
– net movement in exchange reserve	**(3,460)**	10,482
– release of reserve upon disposal of subsidiaries	**(5,177)**	–
Other comprehensive (expenses) income for the year	**(8,637)**	10,482
Total comprehensive expense for the year	**(75,769)**	(44,241)
Attributable to:		
Equity shareholders of the Company	**(75,454)**	(43,864)
Non-controlling interests	**(315)**	(377)
Total comprehensive expense for the year	**(75,769)**	(44,241)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current Assets			
Property, plant and equipment		**19,042**	22,146
Land use rights		**10,927**	11,436
Goodwill		**23,592**	23,592
Available-for-sale financial asset		**9,300**	–
		62,861	57,174
Current Assets			
Inventories		**1,949**	–
Trade and other receivables	*8*	**92,254**	56,862
Financial assets at fair value through profit or loss		**110,752**	19,604
Cash and cash equivalents		**106,505**	33,453
		311,460	109,919
Assets classified as held for sale	*10*	**–**	758,175
		311,460	868,094
Current Liabilities			
Trade and other payables	*9*	**29,259**	29,221
Bank and other borrowings		**51,333**	10,063
Convertible note		**–**	101,272
Liabilities directly associated with the assets classified as held for sale	*10*	**–**	513,292
Current taxation		**–**	21
		80,592	653,869

	Note	**2015** HK$'000	2014 HK$'000
Non-current Liabilities			
Amount due to a non-controlling shareholder of a subsidiary		**22,248**	21,839
Bank and other borrowings		**38,304**	52,044
Deferred taxation		**1,336**	1,337
		61,888	75,220
Net Assets		**231,841**	196,179
Equity			
Capital and reserves attributable to the Company's equity shareholders:			
Share capital	*11*	**73,917**	42,987
Reserves		**153,122**	(25,035)
		227,039	17,952
Non-controlling interests		**4,802**	178,227
Total Equity		**231,841**	196,179

NOTES:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The HKICPA has issued certain new and revised HKFRS that are first effective for the current accounting period of the Group as follows:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Financial Instruments: Presentation – Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK (IFRIC) – Int 21	Levies

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Except for as described below, the application of the above new or revised HKFRS 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.

The principal effects of adopting these new and revised HKFRS are summarised as follows:

(a) Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. These amendments do not have an impact on the Group.

(b) Amendments to HKAS 32, Financial Instruments: Presentation – Offsetting financial assets and financial liabilities

Amendments to HKAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" for offsetting financial assets and financial liabilities. The amendments do not have any material impact on the Group.

(c) Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or a cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The amendments do not have any material impact on the Group.

(d) Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting

The Amendments to HKAS 39 provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be meet: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments do not have any material impact on the Group.

(e) **HK (IFRIC) – Int 21, Levies**

The Interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation does not have any material impact on the Group.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. SEGMENTAL INFORMATION

Business segments

For management purpose, the Group has four (2014: three) principal lines of businesses namely (1) entertainment and gaming business; (2) property business (including property development, trading of building materials and provision of renovation services); (3) gamma ray irradiation services; and (4) resources business which, together with other operation – securities trading and investment are the basis on which the Group reports its primary segment information.

Segment results, assets and liabilities

An analysis of the Group's revenue, contribution to operating results and segment assets and liabilities by business segments is presented as follows:

2015

	Entertainment and gaming business *HK$'000*	Property business *HK$'000*	Gamma ray irradiation services *HK$'000*	Resources business *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015							
REVENUE	74,696	26	5,842	–	–	–	80,564
Segment results	16,598	(1,920)	(2,565)	(52,014)	12,423	–	(27,478)
Unallocated corporate expenses							(24,358)
Loss from operations							(51,836)
Finance costs							(15,317)
Loss before taxation							(67,153)
Taxation							21
Loss before non-controlling interests							(67,132)

	Entertainment and gaming business *HK$'000*	Property business *HK$'000*	Gamma ray irradiation services *HK$'000*	Resources business *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015							
ASSETS							
Segment assets	56,490	2,803	55,781	–	111,859	–	226,933
Unallocated corporate assets							147,388
Consolidated total assets							374,321
LIABILITIES							
Segment liabilities	3,523	21,975	10,362	150	51,885	–	87,895
Unallocated corporate liabilities							54,585
Consolidated total liabilities							142,480
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2015							
Capital additions	1,416	26	–	–	–	–	1,442
Depreciation and amortisation	130	118	4,661	–	–	105	5,014
Net unrealised gains on financial assets at fair value through profit or loss	–	–	–	–	12,479	–	12,479
Impairment loss on assets classified as held for sale	–	–	–	22,613	–	–	22,613
Other receivables written off	–	–	–	3,769	–	7,176	10,945
Bad debt recovered	–	–	–	–	–	4,412	4,412

2014

	Entertainment and gaming business *HK$'000*	Property business *HK$'000*	Gamma ray irradiation services *HK$'000*	Resources business *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014							
REVENUE	–	1,011	5,906	34,101	–	–	41,018
Segment results	–	(694)	(2,565)	(3,559)	(176)	–	(6,994)
Unallocated corporate expenses							(17,469)
Loss from operations							(24,463)
Finance costs							(30,294)
Loss before taxation							(54,757)
Taxation							34
Loss before non-controlling interests							(54,723)

	Entertainment and gaming business *HK$'000*	Property business *HK$'000*	Gamma ray irradiation services *HK$'000*	Resources business *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014							
ASSETS							
Segment assets	–	9,765	59,179	–	19,605	–	88,549
Assets classified as held for sale *(Note 10)*	–	–	–	758,175	–	–	758,175
Unallocated corporate assets							78,544
Consolidated total assets							925,268
LIABILITIES							
Segment liabilities	–	25,184	10,335	134,929	1,269	–	171,717
Liabilities classified as held for sale *(Note 10)*	–	–	–	513,292	–	–	513,292
Unallocated corporate liabilities							44,080
Consolidated total liabilities							729,089
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2014							
Capital additions	–	–	51	–	–	–	51
Depreciation and amortisation	–	758	4,838	–	–	115	5,711
Net unrealised losses on financial assets at fair value through profit or loss	–	–	–	–	4,072	–	4,072

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2014: HK$Nil).

Segment results represents the profit (loss) earned or incurred by each segment without allocation of central administration costs including directors' salaries, investment and other income, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to reportable segments other than current and deferred tax assets. Goodwill is allocated to reportable segments. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

– all liabilities are allocated to reportable segments other than certain borrowings and current and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Geographical segments

All of the Group's operations are principally located in Hong Kong and the People's Republic of China (the "PRC"). The Group's administration is carried out in Hong Kong.

An analysis of the Group's revenue by geographical market, irrespective of the origin of the goods and services, is presented below:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**74,722**	1,011
The PRC	**5,842**	40,007
	80,564	41,018

The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**10,607**	59
The PRC	**52,254**	57,115
	62,861	57,174

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue are as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A[1]	**66,166**	–
Customer B[2]	**–**	13,976
Customer C[2]	**–**	19,083

[1] *Revenue from entertainment and gaming business*

[2] *Revenue from resources business*

3. REVENUE, OTHER INCOME AND GAINS (LOSSES)

Revenue represents the aggregate of the net amounts received and receivable from third parties during the year. An analysis of the Group's revenue, other income and gains (losses) for the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Resources business	**–**	34,101
Gamma ray irradiation services income	**5,842**	5,906
Property business	**26**	1,011
Cruise ship leasing and management fee income	**66,166**	–
Passenger tickets revenue	**3,829**	–
Onboard and other revenues	**4,701**	–
	80,564	41,018
Other income and gains (losses)		
Interest income on financial assets not at fair value through profit or loss	**18**	906
Dividend income from listed investments	**3,155**	734
Net realised (losses) gains on financial assets at fair value through profit or loss	**(3,195)**	3,172
Net unrealised gains (losses) on financial assets at fair value through profit or loss	**12,479**	(4,072)
Government grants *(Note)*	**522**	–
Exchange gain	**661**	–
Bad debt recovered	**4,412**	–
Sundry income	**–**	338
	18,052	1,078
	98,616	42,096
Gross proceeds from securities trading	**263,314**	100,178

Note: The government grants represented the amounts received from the local government by a subsidiary of the Group for rare resources technology innovation and improvement. All specific conditions have been fulfilled (if any).

4. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on:		
Bank borrowing	**736**	753
Margin account payable	**1,333**	–
Other borrowings	**8,971**	22,042
Convertible note	**4,277**	7,499
Total interest expense on financial liabilities not at fair value through profit or loss	**15,317**	30,294

5. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Staff costs		
– directors' remuneration	**1,678**	1,155
– basic salaries and other benefits	**20,865**	5,630
– retirement benefits scheme contributions	**550**	419
– share-based payments	**6,422**	–
	29,515	7,204
Auditors' remuneration		
– Audit services	**1,513**	1,356
– Non-audit services	**691**	–
Depreciation and amortisation of property, plant and equipment	**4,519**	5,216
Amortisation of land use rights	**495**	495
Impairment loss on assets classified as held for sale	**22,613**	–
Exchange loss	**–**	7,503
Loss on disposal of property, plant and equipment	**–**	50
Operating lease payments	**4,125**	3,075
Cost of inventories sold	**3,819**	34,930
Cost of fuel oil consumed	**14,343**	–
Write-down of inventories	**–**	2,066
Other receivables written off	**10,945**	–

6. TAXATION IN THE CONSOLIDATED INCOME STATEMENT

	2015	2014
	HK$'000	*HK$'000*
Taxation calculated in the consolidated income statement represents:		
Current tax:		
PRC corporate income tax	**–**	119
Over-provision in respect of previous years	**(21)**	–
	(21)	119
Deferred tax:		
Origination and reversal of temporary differences	**–**	487
Over-provision in respect of previous years	**–**	(640)
	–	(153)
Taxation credit	**(21)**	(34)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries in Hong Kong have no assessable profits for both years. Taxation for the PRC subsidiaries is charged at the appropriate current rate of taxation ruling in the PRC.

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to equity shareholders of the Company of approximately HK$67,899,000 (2014: approximately HK$51,471,000) and the weighted average number of 6,333,903,765 (2014: 4,755,039,479 (restated)) ordinary shares in issue during the year.

The weighted average number of ordinary shares for the year ended 31 March 2014 for the purpose of basic loss per share has been adjusted and restated to reflect the effects of the rights issue completed on 11 September 2014.

The calculation of diluted loss per share for the year ended 31 March 2015 and 31 March 2014 has not included the potential effect of share options outstanding and the deemed conversion of the convertible note into ordinary shares as they have an anti-dilutive effect on the basic loss per share for the year.

8. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**16,851**	255
Other receivables and prepayments	**75,403**	56,607
	92,254	56,862

In the opinion of the directors of the Company (the "Directors"), all of the above trade and other receivables are expected to be recovered or recognised as expense within one year.

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

The Group allows an average credit period of 60 days to 90 days to its trade customers. The following is an analysis of trade receivables by age, presented based on the invoiced date. The 2014 analysis below included those classified as part of assets classified as held for sale, net of allowance for doubtful debts:

	2015	2014
	HK$'000	*HK$'000*
Up to 30 days	**11,176**	22,545
31 to 90 days	**5,675**	36
91 to 365 days	**–**	177
	16,851	22,758

9. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**2,200**	3
Other payables and accruals	**27,059**	29,218
	29,259	29,221

In the opinion of the Directors, all of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The Directors consider that the carrying amounts of trade and other payables approximate to their fair values.

The following is an analysis of trade payables by age based on the invoiced date. The 2014 analysis below included those classified as part of liabilities classified as held for sale:

	2015	2014
	HK$'000	*HK$'000*
Up to 30 days	**2,200**	20,987
31 to 90 days	**–**	3
Over 90 days	**–**	38,654
	2,200	59,644

10. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

Before 31 March 2013, the Group started to rationalise the resources business by considering the possibilities of restructuring the rare earth refinery and processing business. The Group made a plan to sell a group of subsidiaries that engaged in the rare earth refinery and processing business if the assets value would be better reflected by such a sale transaction rather than through continuing use. The rare earth refinery and processing business was mainly conducted through 冕寧縣茂源稀土科技有限公司 (Mianning Mao Yuan Rare Earth Technology Company Limited) ("Mianning Mao Yuan"), a 54% owned subsidiary of the Group. During the year ended 31 March 2014, the Group was actively seeking buyers for the rare earth refinery and processing business and expected to complete the sale within one year subject to commercial circumstances. Preliminary discussions with potential buyers were on going and as at 31 March 2014, negotiations for the sale were still in progress and the assets and liabilities of the subsidiaries were still classified as non-current assets and liabilities held for sale.

On 19 November 2014, the Company entered into a sale and purchase agreement with an independent third party to dispose of a group of subsidiaries, including Mianning Mao Yuan. The disposal was completed on 3 February 2015. For details of the disposal, please refer to Note 12 to the consolidated financial statements.

The results of the assets/liabilities classified as held for sale (i.e. rare earth refinery and processing business) that are included in the consolidated income statement and the consolidated statement of cash flows are shown as below.

	2015	2014
	HK$'000	*HK$'000*
Loss for the year from rare earth refinery and processing business:		
Revenue	**–**	34,101
Other income	**522**	250
Cost of sales	**–**	(34,930)
Impairment loss on assets classified as held for sale *(Note 5)*	**(22,613)**	–
Administrative expenses	**(391)**	(2,980)
Loss before taxation	**(22,482)**	(3,559)
Taxation	**–**	153
Loss for the year	**(22,482)**	(3,406)

A business valuation of Mianning Mao Yuan as at 30 September 2014 and 31 March 2014 had been performed based on value in use calculations. The valuations were carried out by an independent valuer, Roma Appraisals Limited, who has appropriate qualifications and recent experiences in the valuation of similar businesses. The Group's management has discussed with the valuer on the valuation assumptions and valuation results when the valuations were performed. The recoverable amount of Mianning Mao Yuan was determined based on its value in use calculations using cash flow projections approved by management covering a 5-year period (2014: 5-year period). The discount rate applied to cash flow projection was 23.02% (2014: 22.01%) and cash flow beyond the 5-year period was extrapolated using a steady 3.12% (2014: 3.12%) per annum growth rate. The growth rate used did not exceed the long-term average growth rate for the rare earth industry. Management determined the budgeted sales and gross margins based on past performance, market trends of the rare earth industry and planned production strategy. The discount rate used was pre-tax and reflects specific risks relating to rare resources industry.

Based on the valuation at 30 September 2014, the recoverable amount of Mianning Mao Yuan was found to be less than its carrying amount. Accordingly, impairment loss on assets classified as held for sale of approximately HK$22,613,000 had been recognised in the consolidated income statement for the year ended 31 March 2015.

The Directors considered that as at 31 March 2014 the recoverable amount of Mianning Mao Yuan exceeded its net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss had been recognised for the year ended 31 March 2014.

In accordance with HKFRS 5, when a non-current asset is classified as held for sale or included within a disposal group that is classified as held for sale, it is not depreciated or amortised.

	2015	2014
	HK$'000	*HK$'000*
Cash flows from rare earth refinery and processing business:		
Net cash inflows (outflows) from operating activities	**88**	(132)
Net cash inflows (outflows)	**88**	(132)

The major classes of assets and liabilities classified as held for sale as at financial year end date were as follows:

	2015	2014
	HK$'000	*HK$'000*
Property, plant and equipment	–	114,073
Intangible asset	–	409,314
Land use rights	–	5,441
Goodwill	–	174,989
Inventories *(note a below)*	–	22,585
Trade and other receivables	–	31,700
Cash and cash equivalents	–	73
Assets classified as held for sale	–	758,175
Trade and other payables	–	(186,907)
Other borrowings *(note b below)*	–	(325,002)
Deferred taxation	–	(1,383)
Liabilities directly associated with assets classified as held for sale	–	(513,292)
Net assets directly associated with the assets classified as held for sale	–	244,883

Cumulative income recognised in other comprehensive income relating to the assets/liabilities classified as held for sale:

Foreign exchange translation adjustments	**7,523**	10,947

Notes:

(a) Inventories comprised:

	2015	2014
	HK$'000	*HK$'000*
Raw materials	–	2,435
Work in progress	–	19,088
Finished goods	–	1,062
	–	22,585

(b) Other borrowings included two loans ("Loan A" and "Loan B") obtained by a wholly-owned subsidiary of the Company, Jumbo Wealth International Limited ("Jumbo Wealth"), from independent third parties. Both Loan A and Loan B were guaranteed by the Company. Lender of Loan A, Hondex Investments Limited ("Hondex"), had the right to demand the Company to transfer a maximum of 25% equity interest in Mianning Mao Yuan to the lender in the event of a default to repay the loan by Jumbo Wealth or the Company on due date.

On 19 September 2013, the Company and Jumbo Wealth entered into a subscription agreement with Hondex, Hondex subscribed for 500,000,000 shares of the Company at a subscription price HK$0.1 each for a consideration of HK$50,000,000, which was settled by way of capitalisation of part of the Loan A *(see Note 11)*.

In accordance with the first supplemental agreement signed on 25 March 2013, the loan principal, outstanding interest and additional interest on Loan A were due for full repayment in December 2014. On 28 March 2014, the Company and Jumbo Wealth entered into a second supplemental agreement with Hondex to extend the due date for full repayment of loan principal together with the outstanding interest to 30 June 2015. Hondex agreed to waive all additional interest calculated up to 30 September 2013 payable pursuant to the first supplemental agreement and to adjust the loan interest rate from 11.5% to 5% per annum with effect from 1 October 2013 and to adjust additional interest rate to interest free for the period from 1 October 2013 to 30 June 2015.

In accordance with the first supplemental agreement signed on 25 March 2013, the loan principal, outstanding interest and additional interest on Loan B were due for full repayment in December 2014. On 28 March 2014, the Company and Jumbo Wealth entered into a second supplemental agreement with lender of Loan B to extend the due date for full repayment of loan principal together with the outstanding interest to 30 June 2015 and the lender of Loan B agreed to waive all additional interest calculated up to 30 September 2013 payable pursuant to the first supplemental agreement as the subsidiary had early repaid part of the loan principal of RMB16,000,000 during the year and to adjust the loan interest rate from 13.5% per annum to interest free with effect from 1 October 2013 and to adjust additional interest rate to interest free for the period from 1 October 2013 to 30 June 2015.

All other terms and conditions in the supplemental agreements remained the same as those of the original loan agreements.

The Directors considered that Loan A and Loan B together with interest accrued thereon would be included in the negotiations for the sale of the rare earth refinery and processing business as such borrowings and interest payable were reclassified to liabilities directly associated with assets classified as held for sale accordingly.

In February 2015, the Company provided a shareholder loan to Jumbo Wealth to enable it to repay Loan A and Loan B and completed the disposal of a group of subsidiaries including Mianning Mao Yuan *(Note 12)*.

11. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1 April 2013, 31 March 2014 and 31 March 2015	15,000,000,000	150,000
Issued and fully paid:		
At 1 April 2013	3,798,681,490	37,987
Issue of shares *(Note a)*	500,000,000	5,000
At 31 March 2014	4,298,681,490	42,987
Shares issued by rights issue *(Note b)*	2,198,840,745	21,988
Exercise of share options *(Note c)*	164,500,000	1,645
Issue of shares upon conversion of convertible note *(Note d)*	729,673,382	7,297
At 31 March 2015	7,391,695,617	73,917

Notes:

(a) Pursuant to a subscription agreement dated 19 September 2013 entered into between the Company, Jumbo Wealth International Limited ("Jumbo Wealth"), a subsidiary wholly owned by the Company, and Hondex Investments Limited ("Hondex"), Hondex subscribed for 500,000,000 ordinary shares of the Company at a subscription price HK$0.1 each for a consideration of HK$50,000,000, which was settled by way of capitalisation of part of the loan due from Jumbo Wealth to Hondex. The capitalised amount of HK$49,866,000 (after deducting transaction costs of HK$134,000) was recorded in share capital and share premium at HK$5,000,000 and HK$44,866,000 respectively.

(b) On 11 September 2014, 2,198,840,745 ordinary shares of the Company were issued at the subscription price of HK$0.068 each by way of rights issue. The gross proceeds received by the Company from the rights issue were approximately HK$149,521,000, of which HK$21,988,000 was credited to the share capital account and the balance of HK$124,514,000 (net of professional fees of HK$3,019,000) was credited to the share premium account.

(c) During the year, 164,500,000 share options were exercised by the eligible option holders at their respective exercise prices for a total cash consideration of HK$26,617,000, resulting in an issue of 164,500,000 new ordinary shares of HK$0.01 each.

(d) During the year, the convertible note with principal amounts of HK$105,000,000 was converted into 729,673,382 ordinary shares of HK$0.01 each of the Company at the conversion price of HK$0.1439 per share.

All the ordinary shares issued during the year ranked pari passu with the existing ordinary shares in all respects.

12. DISPOSAL OF SUBSIDIARIES

On 19 November 2014, the Company entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in the Jumbo Wealth International Limited ("Jumbo Wealth"), Chongqing Xujing Property Management Limited ("Chongqing Xujing"), Yunnan He Da Investments Company Limited ("Yunnan He Da") and Mianning Mao Yuan Rare Earth Technology Company Limited ("Mianning Mao Yuan") (hereinafter collectively referred to as the "Disposal Group") and shareholder loan due by Jumbo Wealth to the Company for an aggregate consideration of HK$340,000,000 (the "Disposal"). The Disposal was completed on 3 February 2015. The net assets disposed of at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	113,361
Intangible asset	406,757
Land use rights	5,407
Goodwill	151,395
Inventories	22,443
Trade and other receivables	9,580
Cash and cash equivalents	161
Amount due to the Group	(253,621)
Trade and other payables	(165,231)
Shareholder loan *(note)*	(281,504)
Deferred taxation	(1,374)
Net assets disposed of	7,374
Wavier of balance due from the Disposal Group	253,621
Assignment of shareholder loan *(note)*	281,504
Direct cost incurred for the Disposal	971
Non-controlling interests	(173,110)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on disposal	(5,177)
Loss on disposal of subsidiaries	(25,183)
Satisfied by:	
Cash	340,000

	HK$'000
Net cash inflow arising on disposal:	
Cash consideration	340,000
Assignment of shareholder loan	(281,504)
Direct cost incurred for the Disposal	(971)
Bank balances and cash disposed of	(161)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	57,364

Note: Pursuant to the sale and purchase agreement, the Company provided a shareholder loan to Jumbo Wealth to enable it to repay the outstanding balances of Loan A and Loan B at the date of disposal *(Note 10(b))* and simultaneously the Company assigned the shareholder loan to the independent third party.

The subsidiaries disposed of during the year ended 31 March 2015 contributed approximately HK$Nil to the Group's revenue and loss of approximately HK$29,336,000 to the Group's loss from operations for the year ended 31 March 2015.

After completion of the Disposal, the Company continues to explore opportunities in the resources industry and intends to invest in potential resources projects in future.

13. CAPITAL COMMITMENTS

At 31 March 2015, the Group had no significant capital commitments. At 31 March 2014, the Group had capital commitments contracted for but not provided for in the consolidated financial statements in respect of the purchase of plant and machinery amounting to approximately HK$352,000.

14. CONTINGENT LIABILITIES

At 31 March 2015, the Company had no significant contingent liabilities. At 31 March 2014, the Company had given guarantees to two lenders in respect of other borrowings utilised by a subsidiary to an extent of HK$325,002,000. The Directors did not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at 31 March 2014 under the guarantees by the Company was the aggregate amount of the borrowings drawn down by the subsidiary and the outstanding interest payable. In the opinion of the Directors, the fair value of these guarantees was not significant. After completion of the Disposal, the guarantees provided by the Company to the lenders of the other borrowings have been released.

Other than those mentioned above, the Group had no other significant contingent liabilities at end of both reporting periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Corporate Development

The financial year 2014/2015 was an eventful year for us. Amid optimistic outlook for the tourism, leisure, entertainment and gaming industries in the region, the Group achieved another major milestone and established Entertainment and Gaming Division during the year under review. We were pleased that this division achieved remarkable performance within such short time span since its commencement of operation, and has become the major revenue and earnings contributor to the Group. The division recorded a revenue of approximately HK$74,696,000 (2014: HK$Nil), accounting for 93% of the Group's total revenue, and a profit of approximately HK$16,598,000 (2014: HK$Nil) during the year.

Our first initiative in Entertainment and Gaming Division is cruise ship business. Through the Group's investment in Star Sail Investments Limited (the "JV Company"), we completed the acquisition of a 10% interest of a cruise ship at HK$93,000,000 and have been appointed as the manager of the cruise ship. After completion of the acquisition, the cruise ship was renamed as "REX Fortune", and the Group commenced its cruise ship business in late August 2014 by providing services in respect of certain management functions and core operation of the cruise ship. These services include crew management, technical management, commercial management, insurance arrangements etc. REX Fortune is a nine-deck cruise ship, and features with over 200 passenger rooms which can accommodate over 600 passengers. It provides various entertainment and gaming facilities and on-board activities, services and amenities such as restaurants, lounge, beauty salons and retail shopping.

In order to better reflect the future business development of the Group, the English name of the Company has been changed from "China Gamma Group Limited" to "REX Global Entertainment Holdings Limited" and the Chinese name "御濠娛樂控股有限公司" has been adopted as the secondary name of the Company in October 2014.

The Group also completed the disposal of the business of Mianning Mao Yuan, our rare earth refinery and processing business in China, in February 2015 in view of persistent weak demand and low price of rare earth products since August 2012 and the uncertain prospects of the rare earth market. The Group recorded net proceeds of HK$57,364,000 and a loss of HK$25,183,000 from such disposal.

During the year under review, the Group's operating results have improved remarkably. The Group's revenue surged 96% to HK$80,564,000 in comparison to last year. Loss from operations before impairment loss and disposal loss related to rare earth operation was reduced to HK$4,040,000 from HK$24,463,000 last year. Although the cruise ship business only commenced its operation in late August 2014, the operation has been ramping up smoothly and has made significant contribution to the Group's revenue and operation income during the year under review. A positive gain from the securities trading and investment business also contributed to the improvement.

Our financial position has further been strengthened during the year under review. In September 2014, the Group completed a rights issue program which received overwhelming support from shareholders and successfully raised net proceeds of approximately HK$146,502,000 (after deduction of related expenses). In addition, the convertible note in the principal amount of HK$105,000,000 was fully converted into issued shares on 13 October 2014. The completion of the disposal of the business of Mianning Mao Yuan in February 2015 improved the Group's overall cashflow by the net proceeds from the disposal of HK$57,364,000 and the release of debts of HK$281,504,000 which mature in June 2015. Such debts and guarantees provided by the Company to the lenders of the debts have been released and no interest expense was incurred for the debts. As a result, the Group's gearing ratio was substantially reduced to 39% as at 31 March 2015 from 83% as at 31 March 2014.

For the year ahead, the Group will continue to eye on new opportunities and to diversify into businesses which provide steady income stream with high growth potential on the one hand, and on the other hand to rationalise its resources through continuous evaluation and review of its business operations. The Group will continue to put resources in and focus on development of Entertainment and Gaming Division. Other than exploration of opportunities in investment in and operation of cruise ships, hotel and gaming related businesses in the region and elsewhere, the Group will also look into potential investment in operation of online game development and distribution business across various platforms including web portals and mobile devices. All these initiatives show our determination to further improve the Company's long term profitability.

Business Review

During the year under review, the Group is mainly engaged in entertainment and gaming business, property business, gamma ray irradiation services and resources business.

Entertainment and Gaming Business

With an aim to diversify into businesses providing steady income stream to enhance shareholders' return in the long run, the Group has set up the Entertainment and Gaming Division during the year under review to explore opportunities in leisure, hospitality, tourism, entertainment and gaming related areas. Our first initiative in this division is the cruise ship business. As disclosed in the Company's announcement dated 2 July 2014, Oceanic Eagle Limited, a wholly-owned subsidiary of the Company, and Norvest Global Limited formed the JV Company to acquire a cruise ship at a consideration of HK$93,000,000 by late August 2014. The JV Company was held as to 90% by Norvest Global Limited and as to 10% by the Group. After completion of the acquisition, the cruise ship was renamed as "REX Fortune", and the Group commenced its cruise ship business in late August 2014 by providing services in respect of certain management functions and core operation of the cruise ship. These services include crew management, technical management, commercial management, insurance arrangements etc. As the manager of REX Fortune, the Group received income from the room sales, boat fares, meals, duty free sales etc. and management fees from the casino operator who manages the casino operation of the cruise ship as remuneration for its services.

Since the commencement of the cruise ship business in late August 2014, the Group together with its JV partner took several initiatives to upgrade the facilities of REX Fortune to enrich our customers' cruise experiences. REX Fortune went for a 10-day annual docking in late November 2014 for repairs and maintenance. A number of renovations were made on the cruise, including the refurbishment of the lounge on the deck, deluxe and suite guest rooms and the upgrade of gaming facilities. New facilities such as children corner and gymnasium were also introduced. In addition, the Group has implemented new marketing strategies and networks to bring in new customers, and is developing new membership system to increase business volume from our current customers. With such efforts, number of guests on board of REX Fortune has been ramping up and the total number was over 21,500 since commencement of operation in August 2014 to March 2015, and the division recorded a revenue of HK$74,696,000 (2014: HK$Nil) and a profit of approximately HK$16,598,000 (2014: HK$Nil) during the said period.

Property Business

The Group's property business includes property development, trading of building materials and provision of renovation services. During the year under review, the Group has not launched new property projects for sale and revenue of property business was HK$26,000 (2014: HK$1,011,000). Segment loss was HK$1,920,000 (2014: HK$694,000). Looking forward, the Group will continue to explore mixed use property development and investment opportunities in China and in other regions.

Gamma Ray Irradiation Services

The Group's gamma ray irradiation business is conducted through 淄博利源高科輻照技術有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited*), a 80% owned subsidiary of the Group which is licensed by Ministry of Environmental Protection of the PRC for the provision of irradiation services by utilising gamma ray technologies. Although global economic recovery remained slow during the year under review, demand for food irradiation and sterilisation of medical devices using gamma ray technologies had shown signs of stabilisation. The Group adjusted its product mix after conducting immense market and industry research. We also increased marketing effort in strengthening business relation with existing and new customers. Revenue generated from the gamma ray irradiation services for the year under review was HK$5,842,000 (2014: HK$5,906,000). Segment loss was HK$2,565,000 (2014: HK$2,565,000).

Resources Business

The resources division's first project of rare earth refinery and processing business in China is conducted through 冕寧縣茂源稀土科技有限公司 (Mianning Mao Yuan Rare Earth Technology Company Limited*), a 54% owned subsidiary of the Group. It operates a major rare earth refinery and processing plant situated in Mianning, Sichuan province. As disclosed in the announcement of the Company dated 3 February 2015, the Group completed the disposal of the business of Mianning Mao Yuan and no longer holds any equity interest in Mianning Mao Yuan.

As the demand and price of rare earth products have fallen sharply since August 2012, and the prospects of the rare earth market remained uncertain, upon reviewing the performance of the rare earth refinery and processing business in 2013, the Group started to rationalise the resources business by considering the possibilities of restructuring the rare earth refinery and processing business, and made a plan to sell the subsidiaries that engaged in the rare earth refinery and processing business if the assets value would be better reflected by such a sale transaction. Since then, the Group has been actively looking for potential buyers.

In June 2014, a non-binding letter of intent was entered into between the potential buyer and a subsidiary of the Company. They further entered into a sale and purchase agreement in November 2014 which was approved by the shareholders at the special general meeting held on 13 January 2015. Pursuant to the sale and purchase agreement, total consideration for the disposal of the business of Mianning Mao Yuan was HK$340,000,000 in which (i) HK$280,000,000 was for the assignment of the shareholder loan; and (ii) the remaining proceeds of HK$60,000,000 was for the disposal.

During the year under review, revenue from the segment was HK$Nil (2014: HK$34,101,000). In the first half of the year under review, in view of the persistent weak downstream demand for rare earth products and relatively high raw material costs, the Group decided to halt its rare earth oxides production temporarily in order to reduce losses incurred by the business. The Group also reviewed the net asset value of the rare earth refinery and processing business and recognised an impairment loss on assets classified as held for sale which amounted to HK$22,613,000 (2014: HK$Nil). After the disposal of the business of Mianning Mao Yuan, the Group recorded gross proceeds of HK$58,496,000 (net proceeds of HK$57,364,000 after deduction of related expenses) and a disposal loss of HK$25,183,000. The segment reported a loss of approximately HK$52,014,000 (2014: HK$3,559,000) after the recognition of an impairment loss and the disposal loss as mentioned above.

Other Operation

During the year under review, Hong Kong stock markets improved along with China and other markets in Asia. Both unrealised and realised gains on equity investments held for trading contributed to a reported gain of HK$12,423,000 to the securities trading and investment business division (2014: a loss of HK$176,000).

Major Risks of the Group

The followings were identified as the major risks of the Group during the year under review.

Market economy

The Group currently operates its business principally in Hong Kong/China. Any significant change in or worsening of the economic conditions in Hong Kong and surrounding regions may have adverse impacts on consumption spending and demand for our services.

Rising costs of fuel

Fuel cost plays a major part of operating costs in our cruise ship business. A sharp rise in energy prices and thus fuel cost may adversely affect the financial performance of the Group.

Strategic partners

The Group conducts business through non wholly-owned subsidiaries and joint ventures, and has formed alliances with strategic partners. There can be no assurance that any of these strategic partners will wish to continue their relationships with the Group in the future. In addition, other investors in the non wholly-owned subsidiaries of the Group and joint ventures may undergo a change of control, which may affect the operation and financial condition of the Group.

Equity price risk

The Group is exposed to equity securities price risk for the equity investments held by the Group which are classified as financial assets at fair value through profit or loss. Majority of the Group's equity securities are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and are valued at quoted market prices as at 31 March 2015.

Financial risks

The Group is exposed to interest rate risk associated with our borrowings that bear interest based on floating rates, and to foreign currency risk with RMB in particular.

Corporate Environmental and Social Responsibility

The Group is committed to the long-term sustainability of its various businesses and recognizes the importance of the views and interests of its stakeholders such as employees, customers, shareholders, regulators and the public in making its business decisions.

Environmental protection

The Group is committed to minimizing the impact of business activities on the environment, and supporting environmental protection programs. Management established environmental policy and communicated measurable environmental objectives and targets on energy and paper consumption. In particular, a number of initiatives designed to conserve resources, including paper recycle and electricity conservation, were introduced to promote employee awareness of the need to achieve efficient utilization of resources. In addition, measures were taken to reduce paper consumption in offices. These should help building a sustainable environment for us.

Responsible gaming

As the manager of the cruise ship REX Fortune, the Group received income from the room sales, boat fares, meals, duty free sales etc. and management fees from the casino operator who manages the casino operation of the cruise ship. We recognize the importance of responsible gaming to the community and customers that we serve. The Group is committed to implement high standard of responsible gaming practices together with the casino operator, and to provide a safe and responsible gaming environment so as to minimize the potential negative effects of gaming activities.

Compliance with relevant laws and regulations

The Group has the greatest respect for the laws and regulations that govern the way we go about our business. We aim to maintain a reputable record of high compliance of these regulations. At the request of the ship owner of REX Fortune (the JV Company), who has established risk-based approach policies to ensure compliance with anti-money laundering regulations in relation to casino operation on the cruise ship, the Group has adopted relevant anti-money laundering procedures since commencement of cruise ship business. Appropriate processes are communicated to relevant employees to ensure compliance with anti-money laundering policies and procedures. In addition, the Group has appointed a compliance officer to oversee compliance with all relevant regulations.

The Group has complied with all relevant laws and regulations throughout the year.

Employees care and training

The Group promotes the long-term development of its employees. In-house training programs are organized for new staff to familiarize them with the industry. The Group also aims to provide a healthy and safe workplace for all employees. In particular, the Group engages with employees to address occupational safety issues. For example, usage of life-boat training is given to cruise ship employees.

The Group also encourages employees to take part in work-life balance activities and community service. These include employee outings, sports events and community volunteering.

Community involvement

The Group is committed to being a responsible member of the community and aims to make a positive impact on the local community. In February 2015, we held a family cruise visit to celebrate the Chinese New Year with grass-roots families. Over 35 families with more than 100 people got aboard REX Fortune and had a tour of different facilities of the cruise ship. We also sponsored a number of sports activities and charitable events, including North District Football Club, the National Day celebration with the elderlies, “Bank of America Merrill Lynch 2014 Annual Charity Golf Day”, and “the Power of Love 4th Live to Give Charity Run”.

Prospect

The Group made significant progress for the year ended 31 March 2015. With the commencement of the cruise ship business under Entertainment and Gaming Division, the Group's operating results have improved remarkably. As cruises have become a popular type of leisure activity and offer alternative hospitality, the Group is highly confident of the prospect and the long term development of the cruise ship business. Thus, the Group and the JV partner will continue to upgrade the cruise' facilities for enrichment of customers' cruise experiences. We will continue the renovation program to refurbish the guest rooms, and plan to add an audio room for our customers to rest and relax. We also plan to bring in new slot machines for customers' enjoyment. We will strike to enhance our high quality food and service offerings to the customers. The Group will conduct targeted marketing to various customer groups through our new membership program. We also plan to adjust our product mix and extend our services for meeting and events, wedding and different sorts of celebrations. As the majority of our customers are local residents, the Group plans to optimize customer mix through partnership with travel agents to bring in new customers in the region.

Following such operation strategy, the Group believes that the cruise ship business will optimize its operation and make significant contribution to the Group in the future.

Looking forward, the Group will continue to explore opportunities in tourism, leisure, entertainment and gaming industries which are rapidly growing in Asia on the back of an increase in consumption power in the region. Amongst tourism, leisure, entertainment and gaming industries, the Group is also optimistic on the long-term growth of the online game sector as we see better internet infrastructure development and improvement of customers' willingness to pay for games in the region will drive market growth in the near future. As to mid-to-long term strategy, the Group will not only focus on exploration of opportunities in investment in and operation of cruise ships, hotel and gaming related businesses in the region and elsewhere, but also will look into potential investment in operation of online game development and distribution business across various platforms, including web portals and mobile devices. The Group believes that these developments will provide a stable recurring revenue stream to the Group, and hence will create long-term returns to its shareholders.

As for property business, the Group will continue to focus on mixed use property development and investment in China to cater for end-users' demand for high quality residential and commercial properties as urbanisation continues to drive demand for property in China. The Group will continue to devote resources to land bank acquisitions and seek to identify premium land sites at the right opportunity. The Group will also explore opportunities in property development and investment in other regions to support the development of our other businesses.

In regards to gamma ray irradiation business, as application of gamma ray technologies in food irradiation and sterilisation of medical devices have increased in recent years with increasing awareness of domestic food safety and higher hygiene standard, the Group will endeavor in ongoing services innovation, expansion of its services to new products with high margins, and sourcing of new clients. We plan to strengthen our services in sterilisation of medical devices and discussions with new clients in this area are in progress. The Group will also strive to improve the productivity and efficiency of its production facilities.

As for resources business, the Group has been continually exploring into different opportunities in the whole value chain in the industry. Current downturn in the resources industry may provide opportunities to the Group to invest in potential resources projects at attractive valuation.

Financial Review

For the year ended 31 March 2015, the Group took several initiatives to further improve the Group's liquidity and strengthen its financial base.

In September 2014, the Company successfully completed the rights issue of 2,198,840,745 rights shares at the subscription price of HK$0.068 per rights share on the basis of one rights share for every two existing ordinary shares of the Company held on the record date by the qualifying shareholders of the Company as defined in the rights issue prospectus dated 19 August 2014 (the "Rights Issue"), and raised a gross proceeds of approximately HK$149,521,000 (net proceeds of approximately HK$146,502,000 after deduction of related expenses).

In August 2014, the Company entered into a placing agreement to renew the placing period for the placing of 7-year 5% unsecured notes up to 31 August 2015, as the original placing agreement had expired. Under the original placing agreement, the placing notes with aggregate principal amount of up to HK$300,000,000 could be issued. As the issued notes in the aggregate principal amount of HK$20,000,000 have been issued by the Company, the Company proposed to further issue the placing notes in the remaining principal amount of up to HK$280,000,000. During the year under review, the gross proceeds raised from the placing notes was HK$10,000,000 (net proceeds of approximately HK$9,500,000). As at 31 March 2015, the issued notes in the aggregate principal amount of HK$30,000,000 have been issued by the Company.

In addition, the completion of the disposal of the business of Mianning Mao Yuan in February 2015 improved the Group's overall cashflow by the net proceeds from the disposal of HK$57,364,000 and the release of debts of HK$281,504,000 which mature in June 2015. Such debts and guarantees provided by the Company to the lenders of the debts have been released and no interest expense has been incurred for the debts.

For the year ended 31 March 2015, the Group has utilised the net proceeds from the Rights Issue and the placing notes as to approximately 31% for development of and investment in entertainment and gaming business, approximately 17% for the working capital of the cruise ship operation services, approximately 21% for the repayment of the Group's other borrowing and the remaining proceeds for general working capital of the Group's operation and other new business opportunities. As the convertible note in the principal amount of HK$105,000,000 was fully converted into issued shares on 13 October 2014, none of the remaining proceeds from the Rights Issue was applied to settle the redemption amount for the convertible note. Thus the Group plans to apply the remaining proceeds for development of and investment in entertainment and gaming business and other new business opportunities, as well as for the reduction of the Group's debt and liabilities.

During the year under review, the Group recorded a revenue of HK$80,564,000 (2014: HK$41,018,000), representing a surge of 96% compared to the previous year. The surge was mainly attributable to meaningful contribution from the entertainment and gaming business since the commencement of the cruise ship operation in late August 2014.

Loss from operations for the year under review amounted to HK$51,836,000 (2014: HK$24,463,000). Net loss attributable to equity shareholders of the Company for the year under review increased to HK$67,899,000 (2014: HK$51,471,000), which was mainly attributable to a loss of approximately HK$52,014,000 from the resources business after the recognition of an impairment loss and the disposal loss. As at 31 March 2015, the total assets and net assets of the Group were HK$374,321,000 and HK$231,841,000 (2014: HK$925,268,000 and HK$196,179,000) respectively. The Board does not recommend the payment of dividend for the year ended 31 March 2015.

Liquidity and Financial Resources

As at 31 March 2015, the Group has raised net proceeds of approximately HK$146,502,000 from the Rights Issue and HK$9,500,000 from the placing notes for development of and investment in entertainment and gaming business, general working capital of the Group's operation and other new business opportunities. As at 31 March 2015, the Group had cash and cash equivalents of HK$106,505,000 (2014: HK$33,453,000). Short term bank and other borrowings, long term bank and other borrowings and liability component of the convertible note as at 31 March 2015 were HK$51,333,000 (2014: HK$10,063,000), HK$38,304,000 (2014: HK$52,044,000) and HK$Nil (2014: HK$101,272,000) respectively. The gearing ratio, being the ratio of the sum of total borrowings and convertible note to total equity, was 39% as at 31 March 2015 (2014: 83%). The liquidity ratio, being the ratio of current assets over current liabilities, was 386% as at 31 March 2015 (2014: 133%). The improvement in the gearing ratio was mainly due to the successful completion of the Rights Issue and the full conversion of the convertible note into issued shares. In order to further improve the Group's liquidity and to increase its working capital, the Company has been considering different fund raising and capital restructuring options so as to strengthen the Group's financial base.

Pledge of Assets

At 31 March 2015, the Group's land use rights and certain property, plant and equipment with carrying amount of approximately HK$17,020,000 (2014: HK$17,928,000) were pledged to a bank to secure the bank borrowing granted to the Group.

At 31 March 2015, the Group's listed securities with carrying amount of approximately HK$109,532,000 (2014: HK$Nil) were pledged to secure margin account payable granted to the Group.

Share Capital

164,500,000 ordinary shares of HK$0.01 each ("Shares") were issued and allotted during the year under review upon exercise of share options granted by the Company.

As a result of the Rights Issue being completed on 11 September 2014, 2,198,840,745 Shares were allotted and issued to qualifying shareholders of the Company as defined in the Company's rights issue prospectus dated on 19 August 2014 ("Rights Issue Prospectus"). Details of which are set out in the Rights Issue Prospectus and announcements of the Company dated 13 July 2014 and 10 September 2014 respectively.

729,673,382 Shares were issued and allotted during the year upon exercise of the conversion rights attached to the Convertible Note. Share premium increased by approximately HK$116,055,000 accordingly.

As at 31 March 2015, the total number of issued shares of the Company was 7,391,695,617.

Save as the above, there was no change in the share capital structure of the Company during the year ended 31 March 2015.

Convertible Note

In October 2011, the Company issued a convertible note to Mega Market Assets Limited ("Mega Market"). The convertible note bear interest at the rate of 1% per annum payable semi-annually in arrears ("Convertible Note"). Each Convertible Note will be convertible into fully paid ordinary Shares at the conversion price of HK$0.2158 per Share of the Company (as adjusted by completion of subscription of new shares by way of capitalisation of loan on 27 September 2013), subject to adjustment in accordance with the terms and conditions of the Convertible Note. As a result of the issuance of Shares under the Rights Issue, the conversion price of the Convertible Note has been adjusted from HK$0.2158 per Share to HK$0.1439 per Share (the "Adjusted Conversion Price"). Each Convertible Note will be convertible into fully paid Shares at the Adjusted Conversion Price of HK$0.1439 per Share upon conversion.

During the year under review, Mega Market has transferred the Convertible Note in the principal amount of HK$105,000,000 to certain independent third parties. Thereafter, the Convertible Note in the principal amount of HK$105,000,000 has been fully exercised by the relevant noteholders, and an aggregate of 729,673,382 Shares have been issued and allotted accordingly. There is no outstanding Convertible Note as at 31 March 2015 (2014: HK$105,000,000).

Capital Commitments

At 31 March 2015, the Group had no significant capital commitments. At 31 March 2014, the Group had capital commitments contracted for but not provided for in the consolidated financial statements in respect of the purchase of plant and machinery amounting to approximately HK$352,000.

Contingent Liabilities

At 31 March 2015, the Company had no significant contingent liabilities. At 31 March 2014, the Company had given guarantees to two lenders in respect of other borrowings utilised by a subsidiary to an extent of HK$325,002,000. The Directors did not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at 31 March 2014 under the guarantees by the Company was the aggregate amount of the borrowings drawn down by the subsidiary and the outstanding interest payable. In the opinion of the Directors, the fair value of these guarantees was not significant. After completion of the Disposal, the guarantees provided by the Company to the lenders of the other borrowings have been released.

Other than those mentioned above, the Group had no other significant contingent liabilities at end of both reporting periods.

Exposure to Exchange Rate Risk and Interest Rate Risk

The Group's transactions are denominated in Hong Kong dollars and Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels.

Material Acquisitions and Disposals of Subsidiaries

As disclosed in the Company's announcement dated 2 July 2014, the Group formed the JV Company with Norvest Global Limited to acquire a cruise ship at a consideration of HK$93,000,000, and the JV Company was held as to 90% by Norvest Global Limited and as to 10% by the Group.

On 19 November 2014, the Company and Penrith Resources Limited entered into a sale and purchase agreement for the disposal of the entire issued share capital of Jumbo Wealth International Limited ("Jumbo Wealth"), a wholly-owned subsidiary of the Company; and the assignment of the shareholder loan granted by the Company to Jumbo Wealth to Penrith Resources Limited, at an aggregate cash consideration of HK$340,000,000. Details of the transaction were set out in the Company's announcement and circular dated 27 November 2014 and 23 December 2014 respectively. The transaction was completed in February 2015.

Save as disclosed herein, the Group had no material acquisition and disposal of subsidiaries during the year ended 31 March 2015.

Litigations

On 24 October 2007, Silver Wind International Limited ("Silver Wind"), a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Acquisition Agreement") with Stronway Development Limited ("Stronway Development"), pursuant to which Silver Wind agreed to acquire from Stronway Development the entire equity interest in Winmax Asia Investment Limited ("Winmax Asia"). Under the arrangement, Winmax Asia would in turn acquire the entire equity interest in Beijing Jianxing Real Estate Development Co. ("Jianxing") along with Jianxing's standalone villas development project in Beijing known as "新星花園". The aggregate consideration payable for the acquisition was RMB433,000,000 which was to be settled in cash, and two villas. In December 2007, RMB20,000,000 was paid under the Acquisition Agreement to Stronway Development by Silver Wind as deposit (the "Deposit"). Details of the acquisition are set out in the Company's circular dated 14 December 2007.

In April 2008, on the grounds, amongst other things, that the subject matter under the Acquisition Agreement was frustrated, Silver Wind decided to terminate the Acquisition Agreement and, through its legal representative has served a notice of termination to Stronway Development. In order to protect the position of Silver Wind and to recover, amongst other things, the Deposit from Stronway Development, the legal proceedings were instigated against Stronway Development on this matter in the High Court of Hong Kong on 15 April 2008. As at the date hereof, the legal proceedings against Stronway Development are still pending and there is no significant development.

After due consideration of the matter without prejudice to the position and rights of the Group, the Board has decided not to proceed with the legal proceedings at this stage.

Employee and Emolument Policy

As at 31 March 2015, the Group employed 305 employees (2014: 151).

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed periodically based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalisation scheme, mandatory provident fund and share option scheme. Employees in the PRC are remunerated according to the prevailing market conditions in the locations of their employments.

The emolument policy of the employees of the Group is set up by the Board on the basis of their merit, qualifications and competence. The emoluments of the directors of the Company are decided by the Board, as authorised by the shareholders at the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 March 2015 (2014: HK$Nil).

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the year, in compliance with the code provisions (the "Code Provision(s)") under the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules"), except the following deviations:

Under the Code Provision A.2.1, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not at present have a Chairman nor a Chief Executive. Nevertheless, the main duties and responsibilities of a Chairman and a Chief Executive are currently held by separate individuals with written guidelines for the division of responsibilities with a view to maintain an effective segregation of duties between the management of the Board and the day-to-day management of the Group's business and operations. The Company will continue to review the effectiveness of the Group's corporate governance structure and consider the appointment of a Chairman of the Board and a Chief Executive if candidates with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, the non-executive Directors are not appointed for a specific term, but are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.

Further information is set out in the Corporate Governance Report contained in annual report for the year ended 31 March 2015.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management and the Company's external auditors, the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting process including the review of the financial statements for the year ended 31 March 2015.

AUDITOR

By a resolution passed at the annual general meeting of the Company held on 12 September 2014, Ting Ho Kwan & Chan CPA Limited has been appointed as the auditor of the Company to fill the vacancy arising from the retirement of Messrs. Ting Ho Kwan & Chan as a result of their internal corporate structure reorganisation. Details of the change of auditor are, among other things, set out in the Company's circular dated 7 July 2014 and the Company's announcements dated 27 June 2014 and 12 September 2014 respectively.

Ting Ho Kwan & Chan CPA Limited retire and being eligible, offer themselves for re-appointment. A resolution for re-appointment of Ting Ho Kwan & Chan CPA Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

SCOPE OF WORK OF TING HO KWAN & CHAN CPA LIMITED

The figures in respect of the preliminary announcement of the Group's annual results for the year ended 31 March 2015 have been agreed by the Group's auditor, Ting Ho Kwan & Chan CPA Limited ("THKC"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by THKC 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 THKC on the preliminary announcement.

CHANGE OF COMPANY NAME

By a resolution passed at the special general meeting of the Company held on 29 October 2014, the English name of the Company has been changed from "China Gamma Group Limited" to "REX Global Entertainment Holdings Limited" and the Company has adopted the Chinese name "御濠娛樂控股有限公司" as secondary name of the Company to replace the Chinese name "中國伽瑪集團有限公司" with effect from 29 October 2014.

The stock short name for trading in the Shares on the Stock Exchange has also been changed from "CHINA GAMMA" to "REXGLOBAL ENT" in English and from "中國伽瑪" to "御濠娛樂" in Chinese with effect from 9:00 a.m. on 1 December 2014. The stock code of the Company remains unchanged.

The website of the Company has been changed from "http://www.aplushk.com/clients/00164chinagamma/index.html" to "http://www.aplushk.com/clients/00164rex-ent/index.html" to reflect the change of company name with effect from 1 December 2014.

Details of the change of company name are, among other things, set out in the Company's circular dated 3 October 2014 and the Company's announcements dated 11 September 2014, 29 October 2014 and 26 November 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 March 2015 is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.aplushk.com/clients/00164rex-ent/index.html) respectively. The 2015 annual report and notice of the annual general meeting of the Company will be despatched to the shareholders of the Company and made available on the above websites in due course.

By order of the Board
REX Global Entertainment Holdings Limited
Wong King Shiu, Daniel
Executive Director

Hong Kong, 19 June 2015

As at the date of this announcement, the executive directors of the Company are Mr. Wong King Shiu, Daniel and Mr. Lee Kuang Yeu; the non-executive directors of the Company are Mr. Ma Kwok Hung, Warren and Mr. Chow Siu Ngor; and the independent non-executive directors of the Company are Mr. Wong Hoi Kuen, Mr. Chan Chi Yuen and Mr. Hung Hing Man.

* *The English translation of Chinese names or words are for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*