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 Report 2013/14

Contents

Corporate Information

EXECUTIVE DIRECTORS

Mr. Xu Hai Ying
Dr. Zhiliang Ou, *J.P. (Australia)*
Mr. Fok Chi Tak (appointed on 27 September 2013)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Ming Sun, Jonathan
Mr. Ma Lin
Mr. Lam Kwan Sing

AUDIT COMMITTEE

Mr. Chan Ming Sun, Jonathan
(Chairman of Committee)
Mr. Ma Lin
Mr. Lam Kwan Sing

EXECUTIVE COMMITTEE

Mr. Xu Hai Ying
Dr. Zhiliang Ou, *J.P. (Australia)*
Mr. Fok Chi Tak

REMUNERATION COMMITTEE

Mr. Chan Ming Sun, Jonathan
(Chairman of Committee)
Dr. Zhiliang Ou, *J.P. (Australia)*
Mr. Lam Kwan Sing

NOMINATION COMMITTEE

Dr. Zhiliang Ou, *J.P. (Australia)*
(Chairman of Committee)
Mr. Chan Ming Sun, Jonathan
Mr. Lam Kwan Sing

COMPANY SECRETARY

Ms. Chan Lai Ping

LEGAL ADVISERS

Troutman Sanders
34/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Guantao Law Firm
17/F, Tower 2
Ying Tai Center
No. 28, Finance Street
Beijing 100140, China

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

Corporate Information

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

China Minsheng Banking Corp. Ltd.,
Hong Kong Branch
36/F., Bank of America Tower,
12 Harcourt Road,
Central, Hong Kong

China Citic Bank International Limited
61-65 Des Voeux Road Central
Hong Kong

Nanyang Commercial Bank, Ltd.
2/F., 359-361 Queen's Road Central,
Hong Kong

Dah Sing Bank, Limited
36/F., Dah Sing Financial Centre,
108 Gloucester Road,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 4917-4932, 49/F., Sun Hung Kai Centre,
30 Harbour Road, Wan Chai,
Hong Kong

WEBSITE

www.haotianhk.com

Financial Highlights

For the years ended 31 March	2014	2013
Operating Results	**HK$'000**	HK$'000
Revenue	**40,323**	–
Net loss	**(12,459)**	(219,326)
Per Share Data	**HK cents**	HK cents
Loss per share – basic and diluted	**(0.31)**	(5.58)
Net asset per share	**64.30**	62.26
Financial Position	**HK$'000**	HK$'000
Total assets	**2,830,127**	2,689,216
Net assets	**2,553,857**	2,447,303
Financial Ratio	**%**	%
Debt to equity	**8.77**	5.01

Directors, Senior Management and Staff

DIRECTORS

Executive Directors

Mr. Xu Hai Ying, aged 60, was appointed as a Non-executive Director of the Company on 1 January 2012 and was re-designated as an Executive Director of the Company in February 2012. Mr. Xu is the senior technical consultant and senior manager of 中國節能環保集團有限公司 (China Jieneng Huangbao Group Company Limited*), whose principal business is the development of energy conservation technologies, clean and new energy, and energy infrastructure construction. Mr. Xu has substantial management experience and has been the manager of the representative offices of Wallem & Company Limited (華林船務集團有限公司) in Shanghai and Tianjin, The People's Republic of China and the chief representative of the Shanghai representative office of Hong Kong Maritime Company Limited (香港海運有限公司) and has served other management positions.

Dr. Zhiliang Ou, *J.P., (Australia)*, aged 45, was appointed as an Independent Non-executive Director of the Company on 11 June 2012 and was re-designated as an Executive Director of the Company in August 2012. Dr. Ou holds a Doctor of Philosophy degree in Civil & Resource Engineering from The University of Western Australia, Australia. He also holds two Bachelor of Engineering degrees in Engineering Management & Structural Engineering respectively from Tongji University (同濟大學). Dr. Ou has over 25 years of professional engineering and management experience in oil & gas, mining and infrastructure industries both in Australia and China. He has been a senior staff member in the world's leading energy & resource firms including Kellogg Brown & Root (formerly known as KBR Halliburton), WorleyParsons Pty Ltd., as well as Sedgman Ltd., which is specialising in coal processing and handling plants. Dr. Ou participated in a number of key energy and resource projects around the world such as acting as the Lead Civil and Structural Engineer for BHP Billiton RGP6 Jimblebar project; Rio Tinto iron ore Dove Siding expansion project; Chevron Wheatstone Domgas LNG Pipeline project; Yemen LNG Project (in the Republic of Yemen) and Western Australia Dampier to Bunbury Natural Gas Pipeline (Stage 5B) project, etc. Dr. Ou also has extensive experience and network in China. He was the general manager of 福建省黎明建築工程公司 (Fujian Liming Construction Company*) from 1993 to 1997. He is currently a Guest Professor for Inner Mongolia University (內蒙古大學) and Inner Mongolia University of Science & Technology (內蒙古科技大學) in China.

Directors, Senior Management and Staff

Mr. Fok Chi Tak, aged 38, was appointed as an Executive Director of the Company in September 2013. Mr. Fok has been the Chief Financial Officer of the Company since December 2010 and will continue to hold this office after his appointment. He is responsible to oversee the Company's finance unit and functions, provide other operational support to the Board, and assist the chief executive officer on the formulation of strategic plans for the business development of the Company and its subsidiaries. Mr. Fok graduated from Oxford Brookes University in the United Kingdom with a bachelor's degree in accounting and finance and The University of Hong Kong with a master's degree in business administration. Mr. Fok is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Fok is also a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Mr. Fok has over 13 years of experience in corporate finance, corporate governance, mergers and acquisitions, auditing and financial management. Mr. Fok is the company secretary of various subsidiaries of the Company as at the day of report.

Independent Non-Executive Directors

Mr. Chan Ming Sun Jonathan, aged 41, was appointed as an Independent Non-executive Director of the Company in March 2012. Mr. Chan graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Computer Information Systems. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified Public Accountants, Australia. Mr. Chan has over 15 years of experience in auditing, accounting, investment and financial management. Mr. Chan is currently an associate director of Go-To-Asia Investment Limited. Mr. Chan is also an independent non-executive director of China Dredging Environment Protection Holdings Limited (formerly known as Xiangyu Dredging Holdings Limited) (Stock code: 871), whose securities are listed on the main board of the Stock Exchange, and of Changhong Jiahua Holdings Limited (Stock code: 8016), whose securities are listed on the growth enterprise market of the Stock Exchange. Mr. Chan resigned as independent non-executive director of Beautiful China Holdings Company Limited (formerly known as FinTronics Holdings Company Limited) (Stock code: 706) on 28 February 2014.

Directors, Senior Management and Staff

Mr. Ma Lin, aged 61, was appointed as an Independent Non-executive Director of the Company in January 2012. Mr. Ma graduated from the Capital University of Economics and Business (首都經濟貿易大學) in 1982 with a bachelor degree in economics. Mr. Ma has been an officer of the State Commission for Economic Restructuring* (國家經濟體制改革委員會) in the PRC. In 1988, Mr. Ma joined the State Administration of Taxation* (國家稅務總局) in the PRC and served various important positions, including the Head of the Import and Export Tax Division* (進出口稅司司長) and the Head of Income Tax Division (所得稅司司長). Mr. Ma is now an independent non-executive director of Ping An Bank Co., Ltd. (Stock Code: 000001) and Henan Shuanghui Investment & Development Co., Ltd. (河南雙匯投資發展股份有限公司) (Stock Code: 000895), both of which are listed on the Shenzhen Stock Exchange in the PRC.

Mr. Lam Kwan Sing, aged 44, was appointed as an Independent Non-executive Director of the Company in August 2012. Mr. Lam graduated from the City University of Hong Kong with a degree in Bachelor of Arts in Accountancy. He has more than 16 years of experience in the commercial and corporate finance field. Currently, Mr. Lam is a director of China National Resources, Inc. (a company listed on NASDAQ since 2003) and an executive director of two companies listed on the main board of the Stock Exchange, namely Rising Development Holdings Limited (stock code: 1004) and Enterprise Development Holdings Limited (stock code: 1808). Mr. Lam was an executive director of Shanghai Industrial Urban Development Group Limited (a company listed on the main board of the Stock Exchange, stock code: 563) from May 2008 to July 2010.

CHIEF EXECUTIVE OFFICER

Ms. Li Shao Yu, aged 44, was appointed as Chief Executive Officer in February 2012. Ms. Li is a director of various members of the Group. Ms. Li is a substantial shareholder of the Company. She is not a Director of the Company.

COMPANY SECRETARY

Ms. Chan Lai Ping, was appointed as the company secretary of the Company in September 2013. Ms. Chan joined the Company as its general counsel in May 2013. Ms. Chan graduated from The University of Hong Kong with a bachelor of law degree in 2001 and holds a master degree in corporate finance of The Hong Kong Polytechnic University. Ms. Chan has been admitted as a solicitor to the High Court of the Hong Kong Special Administrative Region since 2004 and is experienced in corporate governance, compliance and company secretarial matters.

Director's Statement

Dear Shareholders,

On behalf of Hao Tian Development Group Limited (the "Company", and together with its subsidiaries, collectively the "Group"), I hereby present the annual results of the Group for the year ended 31 March 2014 (the "year under review").

During the year under review, the Group completed the disposal of its coal mine in Baicheng, Xinjiang. As the global consumer market recovery was slow, market demand for packaging boxes of luxury consumer goods remained sluggish. To be in line with our long-term development plan, the Group disposed of its packaging boxes operation during the year under review. The proceeds of the disposal will be used as working capital for the development of the Group's businesses.

I would make a remark that the year under review witnessed the Group's significant development in new businesses, including provision of loan financing service, trading of commodities and securities investment. In view of the substantial increase in revenue derived from the Group's money lending business during the year under review and the possible growth in the money lending industry in Hong Kong, the Company will further expand the segment coverage and loan portfolio of the money lending business, with a view to achieving better cost efficiency and operational scale in the future.

It remains one of the long-term corporate strategies of the Group to focus on the development of natural gas business and to expand its business gradually to various sectors of clean resources along with expansion of business coverage to other industries, including logistics and warehousing services.

Finally, on behalf of the Board, I would like to express my sincere gratitude to my fellow Directors, the management and all staff for their joint efforts, and wish all shareholders may share the results of the Group's business development in future.

Dr. Zhiliang Ou
Executive Director

Hong Kong, 27 June 2014

Management Discussion 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.

Management Discussion and Analysis

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 realised 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 10 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.

Management Discussion and Analysis

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 cents (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 pledged bank deposits, 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.

Management Discussion and Analysis

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 annual report.

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 HK$150 million capital commitments (2013: HK$5.1 million) in respect of addition of property, plant and equipment contracted for but not provided in the consolidated financial statements. As at 31 March 2013, there were HK$924.7 million capital commitment authorised but not contracted for.

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 are set out in note 41 to the consolidated financial statements.

Management Discussion and Analysis

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 ("CIETAC") 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 CIETAC 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 on the Stock Exchange (the "Listing Rules") 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.

Management Discussion and Analysis

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. On 20 June 2014, 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

During the year under review 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.

Management Discussion and Analysis

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 emphasise 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).

Report of Directors

The Directors of the Company present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principal engaged in money lending business and trading of commodities business. The principal activities of its subsidiaries are set out in note 43 to the consolidated financial statements for the year ended 31 March 2014.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2014 are set out in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2014 on pages 36 and 37 of this annual report. No final dividend was recommended by the Directors for the year ended 31 March 2014 (2013: Nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2014, the Company's reserves available for distribution amounted to approximately HK$2,704,657,000. The distributable reserves include the Company's share premium reserve of approximately HK$2,824,309,000, which may be distributed subject to Section 34 of the Cayman Companies Law and the Articles of Association of the Company. Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 40 and 41 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in notes 18 to the consolidated financial statements for the year ended 31 March 2014.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 36 to the consolidated financial statements for the year ended 31 March 2014.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association and the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years ended 31 March 2014 is set out on page 146 of this annual report.

PURCHASE, SALES 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.

DIRECTORS

The Directors during the year ended 31 March 2014 and up to the date of this annual report were:

Executive Directors

Mr. Xu Hai Ying
Dr. Zhiliang Ou, *J.P. (Australia)*
Mr. Fok Chi Tak (appointed on 27 September 2013)

Independent Non-Executive Directors

Mr. Chan Ming Sun, Jonathan
Mr. Ma Lin
Mr. Lam Kwan Sing

According to the Company's Articles of Association, Dr. Zhiliang Ou and Mr. Chan Ming Sun, Jonathan shall retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Report of Directors

DIRECTORS SERVICE CONTRACTS

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a term of three years, which can be terminated by not less than three months' notice in writing served by either party on the other. No Director proposed for re-election at the forthcoming annual general meeting has a service contract with any company in the Group which is not determinable by the Group within three months without compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the Independent Non-executive Directors has confirmed their independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the Independent Non-executive Directors are independent individuals.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2014, the interests and short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code"), were as follows:

Long positions in ordinary shares and underlying shares of the Company

Name of Director/ chief executive	Capacity	Nature of interest	Number of shares held	Number of underlying shares held	Total interests	Approximate percentage of total issued share capital (Note 1)
Li Shao Yu	Interest held by controlled corporations	Corporate interest	1,141,804,853 (Note 2)	–	1,160,804,853	29.22%
	Beneficial owner	Personal interest		19,000,000 (Note 3)		
Fok Chi Tak	Beneficial owner	Personal interest		2,000,000 (Note 3)	2,000,000	0.05%

Notes:

1. The percentage of shareholding is calculated on the basis of 3,972,035,804 shares in issue as at 31 March 2014.

2. These shares were held (a) directly by Tai Rong Xin Ye International Power Generation Inc., which was a wholly-owned subsidiary of Hao Tian Integrated Group Development Limited; (b) both directly and indirectly by TRXY Development (HK) Limited, which was wholly-owned by Ms. Li through her personal interest and controlling interests in Hao Tian Integrated Group Development Limited; and (c) directly by Real Power Holdings Limited, which is beneficially owned as to 99.90% by TRXY Development (HK) Limited. Accordingly, Ms. Li was deemed to be interested in 1,141,804,853 shares under the SFO.

3. These are the number of shares which may fall to be allotted and issued upon exercise of any subscription rights attaching to the share options granted by the Company under the share option scheme adopted on 16 May 2006.

Other than as disclosed above, as at 31 March 2014, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

The Company has adopted a share option scheme on 16 May 2006 and a share award scheme on 27 September 2013, respectively. Particulars of the Company's share option schemes and details of movements in the share options are set out in note 41 to the consolidated financial statements. There is no share award granted under the share award scheme as at 31 March 2014.

Report of Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2014, so far as is known to the Directors or chief executives of the Company, the following entities (other than a Director or chief executive of the Company) have interests or short positions of 5% or more in the shares and underlying shares of the Company which were recorded in the register of substantial shareholders maintained under Section 336 of the SFO or had otherwise notified to the Company:

Name of shareholder	Number of shares held	Number of underlying shares held	Capacity	Total interests	Approximate percentage of total issued share capital (Note 1)
TRXY Development (HK) Limited	359,655,351 522,400,561 (Note 2)	– –	Beneficial owner Interest held by a controlled corporation	882,055,912	22.21%
Real Power Holdings Limited	522,400,561	–	Beneficial owner	522,400,561	13.15%
Tai Rong Xin Ye International Power Generation Inc.	259,748,941	–	Beneficial owner	259,748,941	6.54%
Hao Tian Integrated Group Development Limited	1,141,804,853 (Note 3)	–	Interest held by controlled corporations	1,141,804,853	28.75%

Notes:

1. The percentage of shareholding is calculated on the basis of 3,972,035,804 shares in issue as at 31 March 2014.

2. These shares are held by Real Power Holdings Limited, which is beneficially owned as to 99.90% by TRXY Development (HK) Limited.

3. These shares were held directly or indirectly by Tai Rong Xin Ye International Power Generation Inc, TRXY Development (HK) Limited and Real Power Holdings Limited, all of which were subsidiaries of Hao Tian Integrated Group Development Limited.

Other than as disclosed above, as at 31 March 2014, none of the Directors or their associates had any interests or short positions in any shares, underlying shares and debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

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 Rules Governing the Listing of Securities (the "Listing Rules") on The Hong Kong Stock Exchange Limited (the "Stock Exchange"). The corporate governance principles of the Company emphasize on a quality board of Directors (the "Board"), 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 believed 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.

BOARD COMPOSITION AND BOARD PRACTICES

Role and function

The Board has the responsibility of promoting the success of the Company by developing the strategic direction of the Company and supervising its operations and affairs in an effective manner. Each Director has a fiduciary duty and statutory responsibilities towards the Company. Each Director is aware of his collective and individual responsibilities to all shareholders and that he should give sufficient time and attention to the affairs of the Company.

With the objective of enhancing shareholder value, the Board is responsible for the formulation and approval of overall business strategies and policies of the Group, management of the business and affairs of the Group, and monitoring of the performance of the management of the Group and is charged with presenting a balanced, clear and understandable assessment of the Group's performance, position and prospects in its annual and interim results, other announcements containing inside information and financial disclosures of the Company required under the Listing Rules and other applicable rules.

The Board reserved for its decision or consideration matters covering significant investment proposals, major acquisitions or disposals, financial results, recommendation on appointment or reappointment of Directors, internal control and risk management, major capital transactions or other significant operational or financial matters. Daily operations and management of the Group's business are delegated to the Chief Executive Officer and the management.

Corporate Governance Report

Composition

As at the date of this report, the Board comprises three Executive Directors, and three Independent Non-executive Directors.

	Membership of Board Committee(s)
Executive Directors:	
Mr. Xu Hai Ying	Member of the Executive Committee
Dr. Ou Zhiliang, *J.P.*	Chairman of the Nomination Committee Member of the Remuneration Committee Member of the Executive Committee
Mr. Fok Chi Tak	Member of the Executive Committee
Independent Non-executive Directors:	
Mr. Chan Ming Sun Jonathan	Chairman of the Audit Committee Member of the Nomination Committee Chairman of the Remuneration Committee
Mr. Ma Lin	Member of the Audit Committee
Mr. Lam Kwan Sing	Member of the Audit Committee Member of the Nomination Committee Member of the Remuneration Committee

The non-executive members of the Board bring a wide range of business and financial experience to the Board, which contributes to the effective direction of the Group and promotes checks and balance of the management process to safeguard shareholders' interest. The Board will review regularly on the Board's composition and considers that the composition of the Board is well balanced with each Director having sound knowledge, experience and expertise relevant to the business operations and development of the Group. Their biographical details are set out on pages 5 to 7 of this annual report.

Each Board member does not have any family, financial, business or other material/relevant relations with each other.

A list of our Directors has been published on the website of the Company and that of the Stock Exchange, and is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules.

Appointment and re-election of Directors

The appointment, re-election and removal of Directors are governed by the articles of association of the Company.

The Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board. The Board may from time to time appoint a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. If a shareholder wishes to propose a person for election as a Director at a general meeting of the Company, a shareholder may serve the Company a written notice and follow the designated procedures for nomination of Directors, which are available on the Company's website.

At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation, and becoming eligible for re-election in accordance with the articles of association. As such, every Director shall be subject to retirement at least once every three years.

Each Director (including the Independent Non-executive Directors) has entered into a service contract or a letter of appointment with the Company for a term of three years, subject to the retirement by rotation provisions of the articles of association of the Company.

Supply of and access to information

All Board members have full access to relevant information both at the meetings and at regular intervals. Notices are given to all Directors for attending regular Board meetings approximately fourteen days before the meetings. For other Board meetings, reasonable notices are generally given. The Company Secretary assists the Board in preparing the meeting agenda and, during which, the Directors are consulted for matters to be included in the agenda for all regular meetings of the Board. It has been the practice of the Board and accepted by all members of the Board that relevant information of Board meetings will be sent to all Directors three days in advance of the relevant meetings or any reasonable time before such meetings.

Board meetings involve the active participation, either in person or through other electronic means of communication, by all of the Directors present. Full Board minutes are kept by the Company Secretary and are open for inspection by the Directors.

Corporate Governance Report

Matters on transactions where Directors are considered having a conflict of interest or material interests would not be dealt with by way of written resolutions and a separate Board meeting shall be held where Independent Non-executive Directors who have no material interests should be present at such meeting. Directors having a conflict of interest or material interests in a transaction will, before the meeting of the Board, declare his interest(s) therein in accordance with the articles of association of the Company, and shall abstain from voting on the resolution(s) and shall not be counted in the quorum present at such Board meeting. Such declaration of interests will be duly noted in the minutes of the relevant Board meeting.

The Company Secretary shall provide professional advice on governance matters to the Directors. Members of the management have been reminded that they have an obligation to supply the Board and the Board committees with adequate information on a timely basis to enable each of them to make informed decisions. All Directors are entitled to have access to board papers, minutes and related materials. The Board and each Director have separate and independent access to the Group's senior management. In addition, the Directors are able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. The Board may resolve to provide appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

With the support of the Company Secretary, the Executive Directors seek to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner.

Independent Non-executive Directors

Pursuant to Rule 3.10(1) and Rule 3.10(2) of the Listing Rules, every listed issuer is required to have at least three Independent Non-executive Directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company complied with these requirements throughout the financial year ended 31 March 2014, with three Independent Non-executive Directors, which represented more than one-third of the total members of the Board; and one of them has appropriate professional qualifications in accounting or related financial management expertise.

Each of the Independent Non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. The Board is of the view that all Independent Non-executive Directors meet with the guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the guidelines.

Liability insurance for the Directors

Appropriate insurance cover on directors' and officers' liabilities has been arranged in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

Induction, information and ongoing development

Each newly appointed Director is provided with a package of orientation materials setting out the required duties and responsibilities of directors under the Listing Rules and other relevant statutory requirements of Hong Kong and received an orientation covering meeting with external legal adviser for a briefing on director's duties and obligations and meeting with management for an overview of the Group. Our Directors are kept informed from time to time on the latest development of any changes to the regulatory requirements and the progress of compliance of applicable rules and regulations by the Company as well as business development and operation plans of the Company.

In compliance with code provision A.6.5, the Company has arranged for, and provided fund for, the Directors and the Company Secretary of the Company to participate in continuous professional development organized in the form of in-house training, seminars or other appropriate courses to keep them refresh of their knowledge, skill and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant statutes, the Listing Rules and corporate governance practices.

All Directors are required to provide the Company with their training records on an annual basis. For the year ended 31 March 2014, all Directors have attended the training sessions arranged by the Company. They have also attended and/or given speech at external seminars/training sessions.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority and aligns with the requirement under Code Provision A.2.1, the roles of Chairman and Chief Executive Officer were segregated and performed by the Board collectively and Ms. Li Shao Yu respectively until the appointment of a new Chairman of the Board. The Board collectively would be able to focus on the overall strategic planning and development of the Group and effective functioning of the Board whereas Ms. Li would be able to oversee the day-to-day management of the business and operations of the Group.

BOARD COMMITTEES

The Board has established four committees with defined terms of reference (available on the website of the Company and that of the Stock Exchange), which are on no less exacting terms than those set out in the CG Code to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities:

- Executive Committee
- Audit Committee
- Remuneration Committee
- Nomination Committee

Each Committee has authority to obtain outside professional advice and to seek information from employees, and the Company will provide sufficient resources to the Committees for performance of its duties and responsibilities. Full minutes of the Committees meetings are kept by the Company Secretary and all decisions of the Committees are reported to the Board. To further reinforce independence and effectiveness, all Audit Committee members are Independent Non-executive Directors, and the Nomination and Remuneration Committees have been structured with a majority of Independent Non-executive Directors as members. Details and reports of the Committees are set out below.

Attendance records

The Board meets regularly, normally four times each year with a meeting scheduled at approximately three-month intervals and additional meetings would be arranged if and when necessary. During the year ended 31 March 2014, apart from the 17 meetings of the Board, consent/approval from the Board had also been obtained via circulation of written resolutions on a number of issues. Details of Directors' attendance of the Board meetings, Committees meetings and the general meetings held during the year ended 31 March 2014 are set out as follows:

	Attendance/Number of meetings					
	Board	**Executive Committee**	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**General meeting**[2]
Total number of meetings	17	38	3	2	2	2
Executive Directors:						
Mr. Xu Hai Ying	16/17	37/38	N/A	N/A	N/A	2/2
Dr. Ou Zhiliang	16/17	38/38	N/A	2/2	2/2	2/2
Mr. Fok Chi Tak[1]	9/9	14/14	N/A	N/A	N/A	1/1
Independent Non-executive Directors:						
Mr. Chan Ming Sun Jonathan	15/17	N/A	3/3	2/2	2/2	2/2
Mr. Ma Lin	15/17	N/A	2/3	N/A	N/A	2/2
Mr. Lam Kwan Sing	17/17	N/A	3/3	2/2	2/2	2/2

Note:

(1) Mr. Fok Chi Tak was appointed as an Executive Director on 27 September 2013.

(2) The Chairman of the Nomination Committee, member of the Audit Committee, Remuneration Committee and representatives of the Auditors attended the annual general meeting held on 27 September 2013 to answer questions of shareholders.

EXECUTIVE COMMITTEE

An Executive Committee was set up in June 2010 and comprises all existing Executive Directors. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for business decisions. In accordance with its terms of reference, the Executive Committee monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Group.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an Audit Committee in May 2006 with specific terms of reference (as amended and restated with effect from 21 June 2013). The principal duties of the Audit Committee are to review and to supervise the Group's statutory audit, interim and annual accounts of the Group and internal control system. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. Meetings shall be held at least twice a year.

The Audit Committee members held three meetings in the year ended 31 March 2014. A summary of the work performed by the Audit Committee during the year ended 31 March 2014 included:–

(a) reviewing the audited accounts and final results announcement for the year ended 31 March 2014 and the interim report and the interim results announcement for the six months ended 30 September 2013;

(b) reviewing the accounting principles and practices adopted by the Group and ensured the compliance with relevant accounting standards, the Listing Rules and other statutory requirements;

(c) reviewing the effectiveness of internal control; and

(d) meeting with the auditors to go through any significant audit issues or key findings noted during the audit of the Group's final results or the year ended 31 March 2014 and the unaudited interim results for the six months ended 30 September 2013.

All issues raised by the Audit Committee have been addressed by the management. The work and findings of the Audit Committee have been reported to the Board. During the financial year, no issues brought to the attention of the management and the Board were of sufficient importance to require disclosure in this annual report.

The terms of references of the Audit Committee requires that proper whistle-blowing arrangements should be put in place by which employees can report any concerns, including misconduct, impropriety or fraud in financial reporting matters and accounting practices, in confidence and without fear of recrimination for fair and independent investigation of such matters and for appropriate follow-up action. To this end and upon recommendation of the Audit Committee, the Board adopted an internal guidelines on whistle-blowing of concerns on 21 June 2013.

In addition, the Company has also adopted a policy that subject to prior approval by Audit Committee, no employees or former employees of external auditor can be appointed as director or senior executive of internal audit or finance function in the Group, within 12 months preceding their employment by the external auditor to enhance independent reporting by external auditor.

NOMINATION COMMITTEE

The Company set up a Nomination Committee in August 2009 with specific terms of reference (as amended and restated with effect from 21 June 2013) for the purpose of setting out formal, considered and transparent procedure for the appointment of Directors to the Board. Its written terms of reference cover recommendations to the Board on the appointment of Directors, evaluation of board composition, assessment of the independence of Independent Non-executive Directors, the management of board succession and monitoring the training and continuous professional development of Directors and senior management.

The Nomination Committee members held two meetings in the year ended 31 March 2014. A summary of the work performed by the Nomination Committee during the year ended 31 March 2014 included:–

(a) reviewing and discussing the Board's composition in terms of the competence, experience, academic background and qualification of its members;

(b) reviewing retirement of Directors by rotation, the re-appointment of retiring Directors at annual general meeting; and

(c) assessing the independence of Independent Non-executive Directors.

REMUNERATION COMMITTEE

The Company set up a Remuneration Committee in May 2006 with specific terms of reference (as amended with effect from 21 June 2013) with principal responsibility to review and give recommendation to the Board regarding the remuneration package of the Directors and the senior management of the Company taking into consideration of the market practice, competitive market position and individual performance.

The Remuneration Committee members held two meetings in the year ended 31 March 2014. During the year, the Committee has discussed, reviewed the performance and determined the remuneration packages for the Directors and management team, discussion on the proposal of employee incentive scheme.

During the process of consideration, no individual Director will be involved in decisions relating to his own remuneration.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

Pursuant to the terms of reference of the corporate governance function, the Board shall be responsible for developing, reviewing and/or monitoring the policies and practices on corporate governance of the Company; training and continuous professional development of Directors and senior management; and compliance with legal and regulatory requirements of the Company. This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group on a going concern basis and in presenting the interim and annual financial statements, announcements and other financial disclosures required under the Listing Rules. Members of the management has provided the Board with monthly updates and sufficient information for the Board to develop and maintain a balanced and understandable assessment of the Company's performance, position and prospects.

The Directors ensure the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the financial statements of the Group is in a timely manner.

Currently, the Company's external auditor is Deloitte Touche Tohmatsu and for the year ended 31 March 2014, the Group paid Deloitte Touche Tohmatsu, the external auditor of the Group, HK$1,000,000 and HK$620,000 as audit fees and non-audit related fees respectively. Members of the Audit Committee have been satisfied with the findings of their review of the audit fees, process and effectiveness, independence and objectivity of Deloitte Touche Tohmatsu as the Company's external auditor.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements for the year ended 31 March 2014 is set out in the Independent Auditor's Report on pages 34 to 35 of this annual report.

INTERNAL CONTROLS

The Board has overall responsibility for maintaining sound and effective internal controls to safeguard the shareholders' investment and the Group's assets. Procedures have been designed for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; for the reliability of financial information used within the business or for publication; and for ensuring the compliance with the relevant legislations and regulations.

The Board, through the Audit Committee of the Company, has conducted a review on the effectiveness of the Group's internal control for the year including financial, operational and compliance controls and risk management processes. The Board, through the review by the Audit Committee, is satisfied that the Group has fully complied with the code provisions on internal controls during the year as set forth in the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct of the Company for Directors' securities transactions. The Company has made specific enquiry to all Directors and all Directors confirmed that they have fully complied with the required standard set out in the Model Code.

COMPANY SECRETARY

Ms. Chan Lai Ping, our Company Secretary appointed by the Board, in the opinion of the Board, possesses the necessary qualification and experience, capable of performance of the functions of the company secretary and the Company will provide fund for Ms. Chan to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules. During 2013, Ms. Chan has satisfied the 15 hours of professional training requirement of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to maintaining high degree of transparency to ensure that the investors and the shareholders receive accurate, comprehensive and timely information of the Group by publication of announcements, circulars, interim and annual reports. All shareholders' communications are also available on the Company's website at http://www.haotianhk.com.

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. All Directors will make an effort to attend and the external auditor is also available at the annual general meeting to address shareholders' queries. In case of any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval, members of the independent Board committee will also make an effort to attend to address shareholders' queries.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at general meetings would be taken by poll.

Corporate Governance Report

SHAREHOLDERS' RIGHT

Shareholders' right to convene special general meeting

Pursuant to article 58 of the articles of association, extraordinary general meetings of the Company (the "EGM") shall be convened on the requisition of any one or more shareholder(s) (the "Requisitionist(s)") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company.

The Requisitionist(s) shall have the right, by written requisition to the Board or the Company Secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the EGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the Requisitionist(s) may do so in the same manner, and shall be entitled to reimbursement of all reasonable expenses incurred by the Requisitionist(s).

Putting enquiries to the Board

To ensure effective communication between the Board and the shareholders, the Company has adopted a shareholders' communication policy (the "Policy"), which is available on the website of the Company and that of the Stock Exchange. Under the Policy, information of the Group shall be communicated to the shareholders mainly through general meetings, including annual general meetings, financial reports, and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to Ms. Chan Lai Ping, Company Secretary:

By post
Rooms 4917-4932, 49/F.
Sun Hung Kai Centre
30 Harbour Road, Wan Chai
Hong Kong

By email
jovey.chan@haotianhk.com

Shareholders may also directly raise questions during the shareholders' meetings.

Putting forward proposals at Shareholders' meeting

The number of shareholders necessary for putting forward a proposal at a shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request. The request to put forward a proposal must be made within 30 days from the date of the relevant shareholders' meeting.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company (http://www.haotianhk.com) has provided an effective communication platform to the public and the shareholders.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

At the annual general meeting held on 27 September 2013, a special resolution relating to change of name of the Company from "Hao Tian Resources Group Limited 昊天能源集團有限公司" to "Hao Tian Development Group Limited 昊天發展集團有限公司" were duly passed by shareholders by way of poll, which was a step taken, in view of the Board, for better reflection of the direction of the development of the Group whose corporate strategy is to actively grasp the investment opportunities in clean energy sector along with expansion of business coverage to provision of finance and other industries such as logistics, trading of commodities and investment.

At the same general meeting, an ordinary resolution has been passed by the shareholders to re-designate and re-classify the certain convertible shares in the authorised share capital of the Company as ordinary shares such that after such re-designation and reclassification the authorised share capital of the Company will be HK$500,000,000 divided into 10,000,000,000 ordinary shares and the authorised share capital of the Company will consist a single class of shares consisting of ordinary shares.

The consolidated up-to-date version of the memorandum of association and articles of association of the Company are available on the website of the Company and the website of the Stock Exchange.

Independent Auditor's Report

Deloitte.
德勤

德勤 • 關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE MEMBERS OF HAO TIAN DEVELOPMENT GROUP LIMITED
昊天發展集團有限公司

(FORMERLY KNOWN AS HAO TIAN RESOURCES GROUP LIMITED 昊天能源集團有限公司)
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hao Tian Development Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 145, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagements, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2014

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	7	**40,323**	–
Other income	9	**5,523**	2,760
Other gain and loss	10	**(59,733)**	(71,914)
Administrative expenses		**(78,486)**	(55,798)
Other expenses		**–**	(4,596)
Finance costs	11	**(14,236)**	(1,293)
Loss before taxation		**(106,609)**	(130,841)
Taxation	12	**(256)**	–
Loss for the year from continuing operations	13	**(106,865)**	(130,841)
Discontinued operations			
Profit (loss) for the year from discontinued operations	31	**94,406**	(88,485)
Loss for the year		**(12,459)**	(219,326)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Reclassification adjustments relating to foreign operation 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)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2014

	NOTE	2014 HK$'000	2013 HK$'000 (Restated)
(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	17		
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	18	**73,410**	86,352
Investment property	19	**–**	961
Interests in associates	20	**–**	19
Amounts due from associates	20	**–**	3,669
Available-for-sale investments	21	**1,056,319**	173,479
Financial assets designated at fair value through profit or loss	22	**4,745**	21,556
Derivative financial instruments	22	**550,573**	–
Loan receivables	27	**6,572**	30,572
Deposits	23	**151,011**	150,991
Deferred tax assets	24	**–**	205
		1,842,630	467,804
Current assets			
Inventories	25	**2,776**	19,277
Trade and bills receivables	26	**80,473**	13,395
Other receivables, deposits and prepayments	26	**9,332**	7,424
Loan receivables	27	**267,035**	110,000
Consideration receivables	29	**166,946**	149,875
Investments held for trading	28	**–**	142
Tax recoverable		**–**	6,075
Pledged bank deposits	26	**44,613**	–
Bank balances and cash	26	**416,322**	283,231
		987,497	589,419
Assets classified as held for sale	30	**–**	1,631,993
		987,497	2,221,412
Current liabilities			
Trade and bills payables	32	**24,748**	7,832
Other payables, deposits received and accruals	32	**8,866**	21,112
Secured notes	33	**–**	122,582
Borrowings	34	**210,000**	–
Tax payables		**18,656**	23,804
		262,270	175,330
Liabilities associated with assets classified as held for sale	30	**–**	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

Consolidated Statement of Financial Position

At 31 March 2014

	NOTES	2014 HK$'000	2013 HK$'000
Non-current liabilities			
Retirement benefits obligations	35	**–**	1,121
Borrowings	34	**14,000**	–
		14,000	1,121
Net assets		**2,553,857**	2,447,303
Capital and reserves			
Share capital	36	**198,602**	196,527
Reserves	37	**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

The consolidated financial statements on pages 36 to 145 were approved and authorised for issue by the Board of Directors on 27 June 2014 and are signed on its behalf by:

Fok Chi Tak
DIRECTOR

Xu Hai Ying
DIRECTOR

Consolidated Statement of Changes In Equity

For the year ended 31 March 2014

	Share capital HK$'000	Share premium HK$'000	Warrant reserve HK$'000	Statutory surplus reserve HK$'000 (Note a)	Safety and maintenance reserve HK$'000 (Note c)	Convertible note equity reserve HK$'000	Share option reserve HK$'000	Asset revaluation reserve HK$'000	Special reserve HK$'000 (Note b)	Translation reserve HK$'000	Accumulated losses HK$'000	Total equity attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2012	196,377	2,819,303	6,331	3,539	–	136,800	34,719	1,826	(5,754)	181,956	(640,536)	2,734,561	–	2,734,561
Loss for the year	–	–	–	–	–	–	–	–	–	–	(219,324)	(219,324)	(2)	(219,326)
Other comprehensive income (expense)	–	–	–	–	–	–	–	14,871	–	(105,047)	–	(90,176)	–	(90,176)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	14,871	–	(105,047)	(219,324)	(309,500)	(2)	(309,502)
Warrants matured	–	–	(6,331)	–	–	–	–	–	–	–	6,331	–	–	–
Issue of warrants	–	–	7,855	–	–	–	–	–	–	–	–	7,855	–	7,855
Transaction cost attributable to issuance of warrants	–	–	(256)	–	–	–	–	–	–	–	–	(256)	–	(256)
Issue of new shares upon exercise of warrants	150	337	(29)	–	–	–	–	–	–	–	–	458	–	458
Incorporation of a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	5,000	5,000
Transfer upon forfeiture of share options	–	–	–	–	–	–	(6)	–	–	–	6	–	–	–
Appropriation of safety and maintenance reserve	–	–	–	–	1,749	–	–	–	–	–	(1,749)	–	–	–
Transfer upon repayment of convertible notes	–	–	–	–	–	(136,800)	–	–	–	–	136,800	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	–	–	9,187	–	–	–	–	9,187	–	9,187
At 31 March 2013	196,527	2,819,640	7,570	3,539	1,749	–	43,900	16,697	(5,754)	76,909	(718,472)	2,442,305	4,998	2,447,303
Loss for the year	–	–	–	–	–	–	–	–	–	–	(12,415)	(12,415)	(44)	(12,459)
Other comprehensive income (expense)	–	–	–	–	–	–	–	187,052	–	(75,095)	–	111,957	–	111,957
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	187,052	–	(75,095)	(12,415)	99,542	(44)	99,498
Issue of new shares upon exercise of warrants	2,075	4,669	(401)	–	–	–	–	–	–	–	–	6,343	–	6,343
Share options lapsed	–	–	–	–	–	–	(4,154)	–	–	–	4,154	–	–	–
Disposal of subsidiaries	–	–	–	–	(1,749)	–	–	–	–	–	–	(1,749)	–	(1,749)
Recognition of equity-settled share-based payments	–	–	–	–	–	–	2,462	–	–	–	–	2,462	–	2,462
At 31 March 2014	**198,602**	**2,824,309**	**7,169**	**3,539**	**-**	**-**	**42,208**	**203,749**	**(5,754)**	**1,814**	**(726,733)**	**2,548,903**	**4,954**	**2,553,857**

Consolidated Statement of Changes In Equity

For the year ended 31 March 2014

Notes:

(a) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, each of the Group's subsidiaries established in the PRC shall set aside 10% of its net profit after taxation to the statutory surplus reserve. The reserve fund can only be used, upon approval by the board of directors of these PRC established subsidiaries and by the relevant authority, to offset accumulated losses or increase capital. During the years ended 31 March 2014 and 2013, there was no transfer from retained profits to the statutory reserve since the Group's PRC subsidiaries incurred net loss.

(b) Special reserve of HK$5,754,000 represents the difference between the nominal amount of share capital issued by Winbox (BVI) Limited and the Company and the nominal amount of the share capital of the acquired subsidiaries and Winbox (BVI) Limited respectively arisen from a group reorganisation occurred in prior years.

(c) Pursuant to the relevant PRC regulations for coal mining business, provision for production maintenance, production safety and other related expenditures are accrued by a subsidiary engaged in mining operation at fixed rates based on coal production volume (the "safety and maintenance reserve"). According to the relevant rules, such funds will be specifically utilised for the transformation costs of the coal mine industry, for the land restoration and environmental cost, and for improvements of safety at the mines, and is not available for distribution to shareholders. Upon incurring qualifying expenditures, an equivalent amount is transferred from safety and maintenance reserve to accumulated losses.

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES		
Loss for the year	**(12,459)**	(219,326)
Adjustments for:		
Income tax	**7,978**	2,203
Interest income	**(2,806)**	(3,039)
Finance costs	**7,349**	3,658
Amortisation of mining rights	**–**	992
Depreciation of property, plant and equipment and investment property	**6,663**	6,083
Release of prepaid lease payments	**–**	706
Dividend income from available-for-sale investments	**(297)**	–
Impairment loss on available-for-sale investments	**54,613**	15,555
Allowance for inventories	**–**	11,574
Share of results of associates	**(8)**	(18)
Written off of deposits paid for property, plant and equipment	**–**	86,693
Share-based payments	**2,462**	9,187
Estimation adjustment on restoration and environmental costs	**–**	(1,118)
Unwinding of discounting effect on restoration and environmental costs	**–**	584
(Gain) loss on disposal of property, plant and equipment	**(199)**	525
(Gain) loss on disposal of available-for-sale investments	**(28,563)**	3,327
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 designated at fair value through profit or loss	**(10,189)**	30,872
Gain on disposal of subsidiaries	**(88,416)**	(141,619)
Withholding tax charged on disposal of subsidiaries	**–**	124,121
Operating cash flows before movements in working capital	**(18,348)**	(48,271)
Increase in inventories	**(11,220)**	(18,562)
(Increase) decrease in trade and bills receivables	**(45,565)**	7,672
Increase in other receivables, deposits and prepayments	**(3,214)**	(3,363)
Increase in loan receivables	**(133,035)**	–
Decrease (increase) in investments held for trading	**138**	(24)
Increase (decrease) in trade and bills payables	**22,667**	(1,298)
Decrease in other payables, deposits received and accruals	**(1,266)**	(2,535)
Cash used in operations	**(189,843)**	(66,381)
Income tax paid	**(3,913)**	(2,388)
NET CASH USED IN OPERATING ACTIVITIES	**(193,756)**	(68,769)

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(5,233)**	(91,915)
Deposit paid for purchase of a land use right	23	**–**	(150,000)
Deposit received for the Champ Universe Disposal (as defined in note 30)		**–**	10,000
Proceeds from disposal of property, plant and equipment		**483**	300
Placement in pledged bank deposits		**(44,613)**	(890)
Purchase of financial assets designated at fair value through profit or loss		**–**	(78,000)
Proceeds from disposal of a financial asset designated at fair value through profit or loss		**27,000**	20,000
Purchases of available-for-sale investments		**(688,439)**	(176,350)
Dividend received from available-for-sale investments		**297**	–
Incorporation of associates		**–**	(1)
Advance to associates		**–**	(3,669)
Addition of loan receivables		**–**	(135,000)
Net cash from disposal of subsidiaries	38	**757,698**	1,374,370
Proceeds from disposal of available-for-sale investments		**179,883**	10,072
Interest received		**1,085**	1,044
NET CASH FROM INVESTING ACTIVITIES		**228,161**	779,961
FINANCING ACTIVITIES			
Interest paid		**(7,349)**	(2,365)
Repayment/redemption of convertible bonds		**–**	(639,349)
Net proceeds from issue of warrants		**–**	7,599
Cash withdrawal from bank deposits in a special purpose bank account		**–**	21,832
Proceeds from issue of secured notes		**170,210**	113,358
Interest paid for secured notes		**(6,252)**	(10,548)
Repayment of secured notes		**(293,715)**	–
Borrowings raised		**542,692**	33,053
Repayment of borrowings		**(318,692)**	–
Capital injected from a non-controlling shareholder of a subsidiary		**–**	5,000
Net proceeds from issue of new shares upon exercise of warrants		**6,744**	487
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**93,638**	(470,933)

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	**128,043**	240,259
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**287,262**	46,971
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**1,017**	32
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**416,322**	287,262
CASH AND EQUIVALENTS REPRESENTED BY		
Bank balances and cash	**416,322**	283,231
Bank balances and cash included in a disposal group classified as held for sale	**–**	4,031
	416,322	287,262

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 principal activities of its subsidiaries are set out in note 44.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

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

Application of new and revised HKFRSs (continued)

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 HKFRS 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

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

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 (see note 44 for details).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

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

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 (see note 6 for the 2014 disclosures). 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, as explained in the accounting policies set out below.

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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intragroup assets and liabilities, equity transactions, balances, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting policies are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. The difference between the carrying amount of the associate at the date the equity method was discontinued, and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of relevant lease.

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than freehold land and construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than freehold land, construction in progress and mining structures, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Mining structures (including the main and auxiliary mine shafts and underground tunnels) are depreciated on the units of production method utilising only recoverable coal reserves as the depletion base.

Freehold land is carried at cost less any recognised impairment loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their residual values, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating leases are recognised as expenses on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to the Group's defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group also operates a defined benefit retirement benefit plan. The cost of providing benefits is dependent on the length of services and the obligation arises when the services are rendered. Measurement of that obligation reflects the probability that payment will be required and the length of time of which payment is expected to be made. The amount recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Mining rights

Mining rights acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such mining rights is their fair value at the acquisition date. Mining rights acquired separately are initially measured at cost.

Subsequent to initial recognition, mining rights acquired in a business combination or acquired separately with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for mining rights with finite useful lives is provided on the units of production method utilising only recoverable coal reserves as the depletion base.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs necessary to make the sale.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale (continued)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and it is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments, other than those financial assets classified as FVTPL, of which interest income is included in net gains or losses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets. Fair value is determined in the manner described in note 6.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including deposits, amounts due from associates, trade receivables, bills receivable, other receivables, loan receivables, consideration receivables, pledged bank deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. Equity and debt securities held by the Group that are classified as available-for-sale and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of asset revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the asset revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For an available-for sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets *(continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in asset revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis, other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities designated as at FVTPL

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any interest earned on the financial liabilities. Fair value is determined in the manner described in note 6.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Other financial liabilities

Other financial liabilities including trade payables, bill payables, other payables and accruals and borrowings are subsequently measured at amortised cost, using the effective interest method.

Warrants

Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are equity instruments. The net proceeds received from the issue of warrants are recognised in equity (warrant reserve). The warrant reserve will be transferred to share capital and share premium accounts upon the exercise of the warrants. When the warrants are still not exercised at the expiry date, the amount previously recognised in the warrant reserve will be transferred to accumulated losses.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition *(continued)*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity-settled share-based payment transactions

Share options granted to employees and others providing similar services

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recoverability of consideration receivables

During the year ended 31 March 2013, the Group disposed of its Inner-Mongolia Mining Operation (as defined in note 29(i)). Due to some disputes, the counterparty refused to settle certain amount of the consideration. As at 31 March 2014 and 2013, included in the consideration receivables, RMB120,150,000 (or equivalent to HK$151,244,000; 2013: HK$149,875,000) represented unsettled portion of the consideration. During the year ended 31 March 2013, the Group has filed arbitrations to relevant authorities in the PRC to claim the unsettled amount. During the year ended 31 March 2014, the counterparty filed a compensation claim in respect of certain non-compliance with the terms of the sale and purchase agreement as a reason for not settling the remaining balance of the consideration. If the compensation claim is not favourable to the Group, the Group is required to pay the counterparty HK$29.9 million.

The arbitration is not yet concluded as at the date of issuance of these consolidated financial statements. After taking legal advice, in the opinion of the directors, the Group had fully complied with the terms of the sale and purchase agreement and the Group has a meritorious ground on the arbitration. As the risk of not recovering the consideration receivable is minimal, therefore no impairment loss was made as at 31 March 2014 and 2013.

However, if the final result of the arbitration is not favourable to the Group, the Group is required to pay the counterparty HK$29.9 million as excess portion of the compensation claim demanded by the counterparty and the unsettled consideration receivable of approximately HK$151.2 million might require a full impairment. The amount of the excess portion of the compensation claim and the impairment loss will be recognised in profit or loss.

Details of the arbitration are set out in note 29(i).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recoverability of loan receivables

During the year ended 31 March 2014, the Group commenced its operation in money lending business. As at 31 March 2014, the carrying amount of total outstanding loan receivables in respect to the money lending business was HK$243,035,000. The Group assesses the recoverability of the loan receivables on individual basis, when there is objective evidence of impairment loss on loan receivables, the Group estimates the future cash flows of each loan receivable for impairment testing purpose. The amount of the impairment loss is measured as the difference between the loan receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise in future financial periods.

Fair value of financial instruments not quoted in an active market

As at 31 March 2014, the fair value of the Group's financial assets designated at FVTPL and derivative financial instruments (2013: financial assets designated at FVTPL and secured notes) were determined by valuation technique as these financial instruments do not have quoted market price. The directors use their judgments in selecting an appropriate valuation technique. Valuation techniques commonly used by market practitioners are applied. In determining the fair value of these instruments, assumptions are made based on currently available market data adjusted for specific features of these instruments (see notes 22 and 33 for details). As at 31 March 2014, the fair value of financial assets designated at FVTPL and derivative financial instruments were HK$4,745,000 and HK$550,573,000 respectively (2013: financial assets at FVTPL and secured notes of HK$21,556,000 and HK$122,582,000 respectively).

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up an investment committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value of financial instruments not quoted in an active market (continued)

Fair value measurements and valuation processes *(continued)*

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent they are available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The investment committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the investment committee's findings to the board of directors of the Company every half year to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 22 and 33 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

As at 31 March 2014, the capital structure of the Group consists of debt, which include borrowings and equity attributable to owners of the Company (2013: secured notes and equity attributable to owners of the Company). Equity attributable to owners of the Company comprises issued share capital, reserves and set off with accumulated losses.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues, as well as the issue of new debts or the redemption of existing debt.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2014	2013
	HK$'000	HK$'000
Financial assets		
Financial assets at FVTPL		
– Held for trading	**–**	142
– Designated as FVTPL	**4,745**	21,556
Derivative financial instruments	**550,573**	–
Loans and receivables (including cash and cash equivalents)	**1,137,774**	746,025
Available-for-sale investments	**1,056,319**	173,479
	2,749,411	941,202
Financial liabilities		
Financial liabilities at FVTPL	**–**	122,582
Amortised cost	**257,614**	28,944
	257,614	151,526

(b) Financial risk management objectives and policies

As at 31 March 2014, the Group's financial instruments include deposits, pledged bank deposits, trade and bills receivables, other receivables, loan receivables, consideration receivables, bank balances and cash, trade and bills payables, other payables and accruals, borrowings, available-for-sale investments, financial assets at FVTPL, derivative financial instruments (2013: deposits, trade and bills receivables, other receivables, amounts due from associates, loan receivables, consideration receivables, bank balances and cash, trade and bills payables, other payables and accruals, available-for-sale investments, financial assets at FVTPL, investments held for trading and secured notes). Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk from prior year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

Foreign currency risk management

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities excluding intra-group balances at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("US$")	**87,511**	18,892	**23,879**	124,777
Euro	**–**	3,004	**–**	573
Renminbi ("RMB")	**357,146**	188,246	**–**	100
Others	**–**	547	**–**	297

In addition, as at 31 March 2014, the directors considered that the Group's exposure to foreign currency risk arose from intra-group balances due to foreign operation of HK$81,340,000 (2013: HK$43,947,000), which were not denominated in the functional currency of the respective group entities. These intra-group loans do not form part of the Group's net investment in foreign operations.

Sensitivity analysis

The Group is mainly exposed to exchange rate fluctuation of HK$, US$, Euro and RMB against the functional currency of respective group entities, which is mainly HK$, Euro and RMB. The directors considered that as HK$ is pegged to US$, the subsidiaries with HK$ as functional currency are subject to insignificant foreign currency risk from change in foreign exchange rate of HK$ against US$, therefore US$ is not considered in the sensitivity analysis.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk *(continued)*

Foreign currency risk management (continued)

Sensitivity analysis (continued)

5% is the sensitivity rate used by the directors in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis below demonstrates the effect of the foreign exchange differences by a 5% change in exchange rate of the functional currencies against the relevant foreign currencies of the Company and respective subsidiaries, other than US$ for those with HK$ functional currency, assuming all other variables were held constant. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or borrower. A positive number below indicates a decrease in post-tax loss where the functional currencies weaken 5% against the relevant foreign currencies of the Company and respective subsidiaries, other than US$ (for those with HK$ functional currency). For a 5% strengthening of the functional currencies of the Company and respective subsidiaries, there would be an equal and opposite impact on the results for the year.

	2014	2013
	HK$'000	HK$'000
Decrease in loss for the year	**13,519**	7,297

Interest rate risk management

As at 31 March 2014, the Group is exposed to cash flow interest rate risk in relation to pledged bank deposits, bank balances and variable rate borrowings (2013: bank balances and variable-rate borrowings) carrying prevailing market interest rate.

As at 31 March 2014, the Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings and loan receivables (2013: loan receivables and secured notes).

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk *(continued)*

Interest rate risk management (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the variable rate pledged bank deposits, bank balances and borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2013: N/A) increase or decrease is used on variable rate borrowings after considering the impact of volatile financial market conditions. The directors used 10 basis points (2013: 10 basis points) for assessing interest rate risk on pledged bank deposits and bank balances because they considered that the fluctuations on interest rate on pledged bank deposits and bank balances would be less significant.

If interest rates had been 50 basis points (2013: N/A) higher/lower for variable-rate borrowings and 10 basis points (2013: 10 basis points) higher/lower for pledged bank deposits and balances and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2014 would increase/decrease by HK$509,000 (2013: decrease/increase by HK$283,000).

Price risk management

The management would manage its exposure arising from these investments by closely monitoring the performance of respective listed equity and debt security and market conditions. The management would consider diversifying the portfolio of these investments as they consider appropriate.

Price risk equity and debt investments

The Group is exposed to other price risk through its available-for-sale investments, investments held for trading and available-for-sale debt securities through its investments in debentures listed outside Hong Kong. For available-for-sale investments measured at cost less impairment, as the fair value could not be measured reliably, they have not been included in the sensitivity analysis.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk *(continued)*

Price risk equity and debt investments (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity and debt price risks at the end of the reporting period. The sensitivity analysis included those available-for-sale investments and investments held for trading carried at fair values. If the prices of the respective available-for-sale investments in listed equity securities and investments held for trading had been 10% (2013: 10%) higher, assuming all other variables were held constant, the impact to the Group would be:

	2014 **HK$'000**	2013 HK$'000
Decrease in loss for the year	**–**	14
Increase in other comprehensive income for the year	**69,308**	13,412

If the prices of respective available-for-sale investments and held for trading investments had been 10% (2013: 10%) lower, assuming all other variables were held constant, the impact to the Group would be:

	2014 **HK$'000**	2013 HK$'000
Increase in loss for the year	**2,373**	2,533
Decrease in other comprehensive income for the year	**66,935**	10,893

10% (2013: 10%) change in price represents the directors' assessment of the reasonably possible change in price.

As at 31 March 2014 and 2013, the Group was exposed to concentration risk on the available-for-sale investments in listed equity securities as they comprise equity shares issued by several companies listed in Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk *(continued)*

Price risk on financial assets designated at FVTPL

As at 31 March 2014, the Group was exposed to price risk through its financial assets designated at FVTPL and derivative financial instruments (2013: financial assets designated at FVTPL and secured notes). As at 31 March 2013, the fair value of the embedded derivative of the secured note is insignificant, hence, no sensitivity analysis for secured notes has been included.

The sensitivity analysis below has been determined based on the exposure to price risk at the end of the reporting period. If the prices of the listed equity securities, which was used as key input in the valuation of financial assets designated at FVTPL and derivative financial instruments (particulars are set out in note 22), had been 10% higher/lower, assuming all other variables were held constant, the impact to the Group would be:

	2014 **HK$'000**	2013 HK$'000
Increase in post-tax loss for the year	**(396)**	(1,800)
Decrease in post-tax loss for the year	**396**	1,800

In opinion of the directors of the Company, the sensitivity analysis above is unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of the financial assets designated at FVTPL and derivative financial instruments (2013: financial assets designated at FVTPL) involves multiple variables and certain variables are interdependent.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2014 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. As at 31 March 2014, the Group has concentration of credit risk in respect of the financial assets designated as FVTPL, derivative financial instruments, loan receivables, consideration receivables and trade and bills receivables (2013: financial assets designated at FVTPL, loan receivables, consideration receivable and trade and bills receivables). As at 31 March 2014, the Group's investments in financial assets designated as FVTPL represent investments in loan receivables with embedded derivatives issued by the counterparties (see note 22); the Group's loan receivables were due from nine (2013: five) counterparties (see note 27); and the Group's consideration receivables were due from three (2013: one) counterparties (see note 29). As at 31 March 2014, five customers for the Group's trading of commodities comprised over 93% of the Group's trade receivables (2013: five customers for the Group's plastic and paper boxes comprised over 61% of the Group's trade receivables). In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk on liquid funds deposited with a few major banks. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

As at 31 March 2014, the Group had outstanding consideration receivables of HK$166,946,000 (2013: HK$149,875,000) due from three (2013: one) counterparty buyers in respect to the disposal of subsidiaries and disposal of available-for-sale investments. The Group is exposed to credit risk for these consideration receivables especially for an amount of HK$151,244,000 (2013: HK$99,792,000) which had been due as at 31 March 2014. The management of the Group takes active negotiation and follow-up action to recover the consideration receivables in order to minimise the credit risk. Details are set out in note 29.

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For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowing and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. It has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or between 1 to 3 months HK$'000	Between 4 to 12 months HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount at 31 March HK$'000
2014						
Trade and bills payables	**-**	**24,748**	**-**	**-**	**24,748**	**24,748**
Other payables and accruals	**-**	**8,866**	**-**	**-**	**8,866**	**8,866**
Borrowings	**4.55**	**204,427**	**15,636**	**20,918**	**240,981**	**224,000**
		238,041	**15,636**	**20,918**	**274,595**	**257,614**
2013						
Trade and bills payables	–	7,832	–	–	7,832	7,832
Other payables and accruals	–	21,112	–	–	21,112	21,112
Secured notes	22.98	–	126,383	–	126,383	122,582
		28,944	126,383	–	155,327	151,526

Bank loans with a repayment on demand clause are included in the "on demand or between 1 to 3 months" time band in the above maturity analysis. As at 31 March 2014, the aggregate undiscounted principal amounts of these bank loans amounted to HK$193,000,000 (2013: nil). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid six months after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK$202,402,000 (2013: nil).

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For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 March 2014 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Listed equity securities classified as available-for-sale investments	693,084	Level 1	Quoted bid prices in an active market	N/A	N/A
Debt securities classified as financial assets designated at FVTPL	4,745	Level 3	Discounted cash flow and binomial model. Future cash flows are estimated based on the prevailing market rate of interest of similar instruments	Discount rates which are with reference to the average yields of comparable bonds, the country risk premiums and the risk premium. Expected volatility of the share price for the conversion component is determined based on the historical trend of the market price of the bond issuers. (Note a)	The higher the discount rate, the lower the fair value. The higher the volatility, the higher the fair value.
Derivative financial instruments	550,573	Level 3	Black-Scholes Option Pricing Model. The key inputs are: spot price, strike price, risk-free rate and expected volatility	Expected volatilities of the share price are determined based on the historical trend of the market price of the option issuer. (Note b)	The higher of the volatility, the higher the fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement of financial instruments (continued)

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

Notes:

(a) If the discount rate to the valuation model had been 5% higher/lower while all other variables were held constant, the carrying amount of debt securities classified as financial assets at FVTPL would decrease/increase by HK$635,000/HK$740,000. If the expected volatility to the valuation model had been 5% higher/lower while all other variables were held constant, the carrying amount of debt securities classified as financial assets at FVTPL would increase/decrease by HK$nil/HK$nil. In the opinion of the directors, the sensitivity analysis is unpresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

(b) If the expected volatility to the valuation model had been 5% higher/lower while all other variables were held constant, the carrying amount of derivative financial instruments would increase/decrease by HK$964,000/HK$826,000. In the opinion of the directors, the sensitivity analysis is unpresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Of the total gains or losses for the year included in profit or loss, net loss of HK$39,345,000 relates to financial assets designated as at FVTPL and derivative financial instruments held at the end of the current year. Fair value gains or losses on financial assets designated as at FVTPL and derivative financial instruments are included in 'other gain and loss'.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement of financial instruments (continued)

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (continued)

	31 March 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Available-for-sale investments	**693,084**	**–**	**–**	**693,084**
Financial assets designated at FVTPL	**–**	**–**	**4,745**	**4,745**
Derivative financial instruments	**–**	**–**	**550,573**	**550,573**
	693,084	**–**	**555,318**	**1,248,402**

	31 March 2013			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Available-for-sale investments	134,120	2,258	–	136,378
Non-derivative financial assets held for trading	142	–	–	142
Financial assets designated at FVTPL	–	–	21,556	21,556
Secured notes	–	–	(122,582)	(122,582)
	134,262	2,258	(101,026)	35,494

There were no transfer between Level 1 and 2 in both years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement of financial instruments (continued)

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (continued)

Reconciliation of level 3 fair value measurements of financial assets and financial liabilities

	Secured notes HK$'000	**Financial assets designated at FVTPL** HK$'000	**Derivative financial instruments** HK$'000	**Embedded conversion option of convertible notes** HK$'000
At 1 April 2012	–	–	–	(43)
Addition	(113,358)	78,000	–	–
Coupon interest	11,588	–	–	–
Total gain or loss recognised in profit or loss				
– Change in fair value	(20,812)	(30,872)	–	43
Transferred out of Level 3:				
– Disposal	–	(20,000)	–	–
– Derecognition upon modification of terms and conditions (detailed in note 22(iii))	–	(11,144)	–	–
– Recognition upon modification of terms and conditions (detailed in note 22(iii))	–	5,572	–	–
At 31 March 2013	(122,582)	21,556	–	–
Addition	(170,210)	–	–	–
Options consideration received (note 38(b))	–	–	600,107	–
Total gain or loss recognised in profit or loss				
– Change in fair value	4,010	10,189	(49,534)	–
Transferred out of Level 3:				
– Disposal	–	(27,000)	–	–
– Settlement	288,782	–	–	–
At 31 March 2014	**-**	**4,745**	**550,573**	**-**

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement of financial instruments (continued)

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis *(continued)*

Fair value measurements and valuation processes

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group obtains transaction price and quoted price from secondary market and counterparty bank, as well as engages third party qualified valuers to perform the valuation on regular basis. The Group's investment committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group's investment committee reports the valuer's findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets. Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

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

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8. 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, which net asset value as at 31 March 2014 was HK$184,131,000 and its immediate holding company, Guo Guang Limited, which net liability value as at 31 March 2014 was HK$30,000, certain bank accounts of Hao Tian Finance Company Limited (included in the net asset value of Hao Tian Finance Company Limited) and a yacht of the Group of HK$61,799,000. 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" as defined in notes 29(i) and 30) 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, which are described in more detail in note 31.

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

8. SEGMENT INFORMATION (continued)

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)**

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8. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

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)

All of the segment revenue reported for the year ended 31 March 2014 were from external customers. The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment results represent the profit earned by each segment without allocation of other income, other gain and loss, other expenses, central administration costs and finance costs, except for those directly related to operating segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

8. SEGMENT INFORMATION (continued)

Other segment information

	Money lending HK$'000	Trading of commodities HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Continuing operations					
For the year ended 31 March 2014					
Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	-	-	-	5,526	5,526
Loss on disposal of property, plant and equipment	-	-	-	57	57
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:					
Finance costs	7,339	608	-	6,289	14,236
Taxation charge	-	-	-	256	256

Notes to the Consolidated Financial Statements

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8. SEGMENT INFORMATION (continued)

Other segment information (continued)

	Money lending HK$'000	Trading of commodities HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Continuing operations					
For the year ended 31 March 2013 (Restated)					
Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	–	–	–	1,927	1,927
Loss on disposal of property, plant and equipment	–	–	–	185	185
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:					
Finance costs	–	–	–	1,293	1,293

8. SEGMENT INFORMATION (continued)

Geographical information

The information about the Group's non-current assets by geographical area in which the assets are located is detailed below:

	Non-current assets (Note)	
	2014	2013
	HK$'000	HK$'000
Hong Kong	**67,292**	82,236
The PRC	**6,118**	3,445
France	**–**	1,651
	73,410	87,332

Note: Non-current assets excluded financial instruments and deferred tax assets.

9. 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

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10. 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)

11. 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.

12. 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 Profits 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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") Implementation Regulations of the EIT Law, the tax rate is 25% from 1 January 2008 onwards.

The taxation for the year from continuing operations can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	HK$'000	HK$'000
		(Restated)
Loss before taxation	**(106,609)**	(130,841)
Tax at Hong Kong Profits Tax rate of 16.5%	**(17,590)**	(21,589)
Tax effect of expenses not deductible for tax purposes	**10,222**	17,556
Tax effect of income not taxable for tax purposes	**(2,333)**	(1,585)
Underprovision in respect of prior years	**256**	–
Tax effect of estimated tax losses not recognised	**9,701**	5,618
Taxation for the year	**256**	–

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13. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2014 **HK$'000**	2013 HK$'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

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors and chief executive were as follows:

	2014						2013					
	Fee HK$'000	**Salaries and other allowances HK$'000**	**Discretionary or performance based bonuses HK$'000** (Note g)	**Retirement benefit scheme contributions HK$'000**	**Share-based payments HK$'000**	**Total HK$'000**	Fee HK$'000	Salaries and other allowances HK$'000	Discretionary or performance based bonuses HK$'000 (Note h)	Retirement benefit scheme contributions HK$'000	Share–based payments HK$'000	Total HK$'000
Directors												
Ma Lishan (Note a)	-	-	-	-	-	-	–	1,067	–	6	894	1,967
Zhu Yongguang (Note b)	-	-	-	-	-	-	65	–	–	–	–	65
Ma Lin (Note c)	180	-	-	-	-	180	180	–	–	–	–	180
Xu Hai Ying (Note c)	-	600	-	-	-	600	–	515	–	–	–	515
Chan Ming Sun, Jonathan	180	-	-	-	-	180	181	–	–	–	–	181
Mak Yiu Tong (Note d)	-	-	-	-	-	-	–	100	–	2	42	144
Ou Zhiliang (Note e)	-	760	-	-	-	760	29	1,408	–	–	–	1,437
Lam Kwan Sing (Note f)	180	-	-	-	-	180	117	–	–	–	–	117
Fok Chi Tak (Note g)	-	858	2,000	8	119	2,985	–	–	–	–	–	–
	540	2,218	2,000	8	119	4,885	572	3,090	–	8	936	4,606
Chief executive												
Li Shao Yu (Note h)	-	2,227	-	15	576	2,818	–	1,810	44,150	15	1,780	47,755
	540	4,445	2,000	23	695	7,703	572	4,900	44,150	23	2,716	52,361

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes:

(a) On 9 August 2012, Mr. Ma Lishan ("Mr. Ma") resigned as a director of the Company. Subsequently, Mr. Ma served the Group as a consultant. His remuneration as a consultant was excluded from above.

(b) On 9 August 2012, Mr. Zhu Yongguang resigned as a director of the Company.

(c) On 1 January 2012, Mr. Ma Lin and Mr. Xu Hai Ying were appointed as directors of the Company.

(d) On 31 May 2012, Mr. Mak Yiu Tong resigned as a director of the Company.

(e) On 11 June 2012, Dr. Ou Zhiliang was appointed as an independent non-executive director of the Company. On 9 August 2012, he was redesignated as an executive director of the Company.

(f) On 9 August 2012, Mr. Lam Kwan Sing was appointed as a director of the Company.

(g) On 27 September 2013, Mr. Fok Chi Tak ("Mr. Fok") was appointed as a director of the Company. On 12 June 2014, the Group provided a special bonus of HK$2,000,000 to Mr. Fok in respect to the completion of the disposal of subsidiaries, which was included in discontinued operations determining the gain on disposal of subsidiaries. Details are set out in note 38 (b).

(h) Ms. Li Shao Yu ("Ms. Li") is the chief executive of the Company and her remuneration disclosed above represents those for services rendered by her as chief executive. Ms. Li is also a substantial shareholder who can exercise significant influence to the Group. During the year ended 31 March 2013, the Group provided a special bonus of HK$44,000,000 to Ms. Li, in respect to the completion of the disposal of subsidiaries, which was included in discontinued operations for determining the gain on disposal of subsidiaries. Details are set out in note 38(c).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or chief executive has waived any emoluments during both years.

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15. EMPLOYEE'S EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2013: one) were director or the chief executive of the Company whose emoluments were included in the disclosures in note 14 above. The emoluments of the remaining three (2013: four) individuals were as follows:

	2014 **HK$'000**	2013 HK$'000
Salaries and other allowances	**5,693**	4,285
Discretionary or performance based bonus	**500**	4,645
Retirement benefit scheme contributions	**40**	38
Share-based payments	**606**	3,115
	6,839	12,083

The emoluments were within the following bands:

	2014 **No. of** **employees**	2013 No. of employees
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**2**	1
HK$2,500,001 to HK$3,000,000	**–**	2
HK$4,000,001 to HK$4,500,000	**–**	1

During both years, no emoluments or discretionary bonus were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16. DIVIDEND

No dividend was paid or proposed by the directors for both years nor has any dividend been proposed since the end of the reporting period.

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

	2014 **'000**	2013 '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

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17. LOSS PER SHARE (continued)

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 earnings per share for discontinued operations does 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.

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18. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Buildings on freehold land HK$'000	Leasehold land and buildings HK$'000	Mining structures HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Moulds HK$'000	Motor vehicles HK$'000	Yacht HK$'000	Total HK$'000
COST												
At 1 April 2012	507	1,377	13,117	6,963	7,724	4,585	16,607	5,909	8,385	14,286	–	79,460
Exchange adjustments	(20)	(53)	54	39	35	16	115	(20)	58	29	–	253
Additions	–	–	1,112	–	6,152	805	2,973	704	79	50	65,000	76,875
Transfer to assets classified as held for sale (note 30)	–	–	(9,012)	(14,877)	(477)	–	(10,900)	(832)	–	(2,044)	–	(38,142)
Transfer	–	–	5,559	7,875	(13,434)	–	–	–	–	–	–	–
Disposal	–	–	–	–	–	–	–	(180)	–	(1,288)	–	(1,468)
At 31 March 2013	487	1,324	10,830	–	–	5,406	8,795	5,581	8,522	11,033	65,000	116,978
Exchange adjustments	33	91	–	–	–	29	190	122	170	31	–	666
Additions	–	–	–	–	–	128	1,207	832	81	2,931	54	5,233
Disposal	–	–	–	–	–	–	(6,633)	(110)	(6,619)	(531)	–	(13,893)
Disposal of subsidiaries (note 38(a))	(520)	(1,415)	(10,830)	–	–	(1,611)	(3,559)	(4,381)	(2,154)	(476)	–	(24,946)
At 31 March 2014	**-**	**-**	**-**	**-**	**-**	**3,952**	**-**	**2,044**	**-**	**12,988**	**65,054**	**84,038**
DEPRECIATION AND IMPAIRMENT												
At 1 April 2012	–	620	3,789	1,214	–	3,402	8,207	3,881	8,333	1,206	–	30,652
Exchange adjustments	–	(24)	3	2	–	6	58	(36)	57	4	–	70
Provided for the year	–	3	611	283	–	367	1,361	679	68	1,989	–	5,361
Transfer to assets classified as held for sales (note 30)	–	–	(461)	(1,499)	–	–	(2,083)	(423)	–	(348)	–	(4,814)
Disposal	–	–	–	–	–	–	–	(101)	–	(542)	–	(643)
At 31 March 2013	–	599	3,942	–	–	3,775	7,543	4,000	8,458	2,309	–	30,626
Exchange adjustments	–	41	–	–	–	18	155	86	169	2	–	471
Provided for the year	–	5	234	–	–	394	204	556	27	1,956	3,255	6,631
Disposal	–	–	–	–	–	–	(6,633)	(110)	(6,619)	(246)	–	(13,608)
Disposal of subsidiaries (note 38(a))	–	(645)	(4,176)	–	–	(1,330)	(1,269)	(3,918)	(2,035)	(119)	–	(13,492)
At 31 March 2014	**-**	**-**	**-**	**-**	**-**	**2,857**	**-**	**614**	**-**	**3,902**	**3,255**	**10,628**
CARRYING VALUES												
At 31 March 2014	**-**	**-**	**-**	**-**	**-**	**1,095**	**-**	**1,430**	**-**	**9,086**	**61,799**	**73,410**
At 31 March 2013	487	725	6,888	–	–	1,631	1,252	1,581	64	8,724	65,000	86,352

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation is provided to write off the cost of items of property, plant and equipment, other than freehold land, mining structures and construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Buildings on freehold land	2%
Leasehold land and buildings	shorter of remaining term of lease or 2% to 10%
Leasehold improvements	20%
Plant and machinery	$6^2/_3$% to $33^1/_3$%
Furniture, fixtures and equipment	20%
Moulds	20%
Motor vehicles	10% to 25%
Yacht	5%

Mining structures (including the main and auxiliary mine shafts and underground tunnels) were depreciated on the units of production method utilising only recoverable coal reserve as the depletion base.

As at 31 March 2013, the freehold land and buildings on freehold land of the Group were located outside Hong Kong.

As at 31 March 2013, leasehold land and buildings of HK$3,445,000 were located outside Hong Kong and remaining of HK$3,443,000 were located in Hong Kong. The leasehold land and buildings of the Group were held under medium-term lease.

As at 31 March 2014, the Group has pledged a yacht with a carrying of HK$61,799,000 to secure general banking facilities granted to the Group.

19. INVESTMENT PROPERTY

	HK$'000
COST	
At 1 April 2012 and 31 March 2013	1,624
Disposal of subsidiaries (note 38(a))	(1,624)
At 31 March 2014	–
DEPRECIATION	
At 1 April 2012	631
Provided for the year	32
At 31 March 2013	663
Provided for the year	32
Disposal of subsidiaries (note 38(a))	(695)
At 31 March 2014	**–**
CARRYING VALUE	
At 31 March 2014	**–**
At 31 March 2013	961

In the opinion of the directors, the estimated fair value of investment property as at 31 March 2013 was HK$9,712,000 which was estimated by reference to the recent transaction prices of similar properties.

As at 31 March 2013, the above investment property was located in Hong Kong, held under medium-lease term and depreciated on a straight-line basis over the term of the lease of 50 years.

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20. INTERESTS IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES

Interests in associates

	2014 **HK$'000**	2013 HK$'000
Unlisted investments, at cost	–	1
Share of post-acquisition profits	–	18
	–	19

During the year ended 31 March 2013, the Group and a director of subsidiaries incorporated two entities, in which the Group and the director of subsidiaries hold 40% and 60% equity interests respectively. Details of the Group's associates were as follows:

Name of associate	**Place of incorporation/ operation**	**Proportion of nominal value of issued ordinary shares held by the Group** **2014**	2013	**Principal activity**
Richluck International Limited (Note)	Hong Kong	–	40%	Property leasing
Double Rich Cooperation Limited (Note)	Hong Kong	–	40%	Property leasing

Note: During the year ended 31 March 2014, the interests in associates were disposed of as a result of the disposal of subsidiaries (note 38(a)).

20. INTERESTS IN ASSOCIATES AND AMOUNTS DUE FROM ASSOCIATES (continued)

Interests in associates (continued)

The summarised financial information in respect of the Group's associates at 31 March 2013 is set out below:

	2013 HK$'000
Total assets	9,265
Total liabilities	(9,218)
Net assets	47
Group's share of net assets of associates	19
Total revenue	70
Total profit for the year	45
Group's share of results of associates for the year	18

Amounts due from associates

As at 31 March 2013, amounts due from associates were unsecured, non-interest bearing and had no fixed repayment terms. During the year ended 31 March 2014, amounts due from associates were disposed of as a result of the disposal of subsidiaries (note 38(a)).

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21. AVAILABLE-FOR-SALE INVESTMENTS

	2014 HK$'000	2013 HK$'000
Available-for-sale investments include:		
Equity securities listed in Hong Kong, at fair value	**693,084**	129,424
Equity securities listed outside Hong Kong, at fair value	**–**	369
Debentures listed outside Hong Kong with fixed interest of 10.5% and maturity date on 14 January 2016, at fair value	**–**	4,327
Unlisted equity securities, at cost	**363,235**	37,101
Club debentures, at fair value	**–**	2,258
	1,056,319	173,479

Fair values of listed equity securities are based on quoted market bid price in the active market.

Unlisted equity securities represent investments in unlisted securities issued by two private entities. The business of these companies are investment holding and securities trading. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. During the year ended 31 March 2014, the Group spent HK$322,000,000 on purchase of unlisted securities and disposed of unlisted securities with carrying amount of HK$50,000,000 to an independent third party at a consideration of HK$20,000,000. Impairment loss of HK$30,000,000 was recognised in profit or loss.

As at 31 March 2013, club debentures were stated at fair values which had been determined by reference to the quoted prices in the secondary markets.

As at 31 March 2014, the available-for-sale investments of HK$205,800,000 (2013: HK$6,416,000) are denominated in currencies other than the functional currency of the respective group entities.

22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/DERIVATIVE FINANCIAL INSTRUMENTS

	2014 **HK$'000**	2013 HK$'000
Financial assets designated at FVTPL		
Celebrate Bond (Note i)	**–**	8,735
Mascotte Bond (Note ii)	**–**	–
Convertible ICube Bond (Note iii)	**4,745**	5,572
Innotech Bond (Note iv)	**–**	7,249
	4,745	21,556
Derivative financial instruments		
Options consideration received (Note v)	**550,573**	–

Notes:

(i) On 5 September 2012, the Group purchased an unlisted zero coupon convertible bond issued by Celebrate International Holdings Limited ("Celebrate Bond") with principal amount of HK$20 million from an independent third party at a consideration of HK$20 million. The Celebrate Bond is denominated in HK$ and will mature on 27 May 2016. The Group has the right to convert the Celebrate Bond to ordinary shares of Celebrate International Holdings Limited, at any time before the maturity date, at a conversion price of HK$9.902 per share. If the Group does not exercise the conversion right, the Celebrate Bond will be repayable at the maturity date at 100% of the principal amount. The Group designated the entire Celebrate Bond as financial assets at FVTPL at initial recognition.

During the year ended 31 March 2014, the Group fully disposed of the Celebrate Bond to an independent third party at total consideration of HK$17,000,000 and resulted a fair value gain of HK$8,265,000 (2013: loss of HK$11,265,000) recognised in profit or loss.

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22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

(ii) On 5 September 2012, the Group purchased an unlisted bond issued by Mascotte Holdings Limited ("Mascotte Bond") with principal amount of HK$30 million from an independent third party at a consideration of HK$30 million. The Mascotte Bond is denominated in HK$. According to the terms of the Mascotte Bond, the maturity date is two years from the issue date (i.e. 4 January 2014). At the maturity date, Mascotte Holdings Limited may elect at its discretion to extend the term for another 5 years. The Mascotte Bond bears interest at 2.5% per annum for the first 2 years and 12.5% per annum afterwards for the extension period of five years. Interest is payable quarterly in arrears. Mascotte Holdings Limited may also redeem part or all of the Mascotte Bond any time before the maturity date (or the extended maturity date if the term is extended) at principal amount and interest accrued up to redemption date. The Group designated the entire Mascotte Bond as financial assets at FVTPL at initial recognition.

During the year ended 31 March 2013, the Group fully disposed of the Mascotte Bond to an independent third party, at a total consideration of HK$20,000,000, with a fair value loss of HK$10,000,000 recognised in profit or loss.

(iii) On 10 December 2012, the Group purchased an unlisted zero coupon convertible bond issued by ICube Technology Holdings Limited ("ICube Bond") with principal amount of HK$19 million from an independent third party at a consideration of HK$18 million. The ICube Bond is denominated in HK$ and will mature on 30 November 2013. The Group has the right to convert the ICube Bond to ordinary shares of ICube Technology Holdings Limited, at any time before the maturity date, at a conversion price of HK$0.125 per share. ICube Technology Holdings Limited may also redeem part or all of the ICube Bond on the maturity date at principal amount. The Group designated the entire ICube Bond as financial assets at FVTPL at initial recognition.

On 8 February 2013, ICube Technology Holdings Limited, the Group and other noteholders of the ICube Bond entered into a deed of variation and agreed to vary certain terms and conditions of the ICube Bond. On 26 March 2013, such variations had been effective. The ICube Bond is notionally divided into two equal portions, namely Interest Bearing ICube Bond and Convertible ICube Bond, and the maturity date is changed to 30 November 2016. The Interest Bearing ICube Bond bears interest at 2.5% per annum, which is accrued since 26 March 2013 and is payable upon maturity with no conversion right being embedded. The Convertible ICube Bond is non-interest bearing and the Group has the right to convert the Convertible ICube Bond to ordinary shares of ICube Technology Holdings Limited, at any time before the maturity date, at a conversion price of HK$0.33 per share. If the Group does not exercise the conversion right, the Convertible ICube Bond will be repayable at the maturity date at 100% of the principal amount. On 26 March 2013, the Group derecognised the ICube Bond as the terms and conditions of the ICube Bond had been significantly changed and recognised the Interest Bearing ICube Bond and Convertible ICube Bond as loan receivables (see note 27) and financial assets designated at FVTPL respectively in accordance with the revised terms and conditions.

22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

(iii) (continued)

During the year ended 31 March 2014, the conversion price has been adjusted from HK$0.330 to HK$0.285 per share due to the rights issue of shares by ICube Technology Holdings Limited.

The fair value of the debt component of the Convertible ICube Bond was determined based on the present value of the estimated future cash flows discounted at the prevailing market rate of interest of similar instruments. The fair value of the embedded options attached to the convertible portion was calculated using the binomial model. The inputs into the valuation of the Convertible ICube Bond were as follows:

	At 31 March 2014	At 31 March 2013
Stock price of ICube Technology Holdings Limited	**HK$0.150**	HK$0.200
Conversion price	**HK$0.285**	HK$0.330
Risk free rate (Note a)	**0.737%**	0.349%
Expected life (Note b)	**2.671 years**	3.671 years
Expected volatility (Note c)	**60.409%**	40.003%
Discount rate	**19.444%**	19.543%

As at 31 March 2014, the fair value of the Convertible ICube Bond was HK$4,745,000 (2013: HK$5,572,000), with a fair value loss of HK$827,000 (2013: loss of HK$6,856,000) recognised in profit or loss.

(iv) On 10 December 2012, the Group purchased an unlisted zero coupon convertible bond issued by Inno-Tech Holdings Limited ("Innotech Bond") with principal amount of HK$10 million from an independent third party at a consideration of HK$10 million. The Innotech Bond is denominated in HK$ and will mature on 28 August 2014. The Group had the right to convert the Innotech Bond to ordinary shares of Inno-Tech Holdings Limited, at any time before the maturity date, at a conversion price of HK$3.80 per share. If the Group does not exercise the conversion right, the Innotech Bond will be repayable at the maturity date at 100% of the principal amount. The Group designated the entire Innotech Bond as financial assets at FVTPL at initial recognition.

During the year ended 31 March 2014, the Group disposed of the Innotech Bond to an independent third party at a consideration of HK$10,000,000 and resulted a fair value gain of HK$2,751,000 (2013: loss of HK$2,751,000) recognised in profit or loss.

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22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

(v) As part of the consideration for the disposal of the Champ Universe Group, the Group received Top-up Options and Put Options on 28 June 2013 (all capitalised items as defined and with details set out in note 30).

The fair values of the Top-up Options and the Put Options were calculated using the Black Scholes Option Pricing Model. The inputs into the valuations were as follows:

Top-up Options

	At 31 March 2014	At initial recognition on 28 June 2013
Stock price of Up Energy (as defined in note 30)	**HK$0.560**	HK$0.480
Strike price	**HK$2.000**	HK$2.000
Risk free rate (Note a)	**0.559%**	0.538%
Expected life (Note b)	**2.245 years**	3.000 years
Expected volatility (Note c)	**45.755%**	73.530%

Put Options

	At 31 March 2014	At initial recognition on 28 June 2013
Stock price of Up Energy	**HK$0.560**	HK$0.480
Strike price	**HK$2.200**	HK$2.200
Risk free rate (Note a)	**0.594%**	0.565%
Expected life (Note b)	**2.327 years**	3.083 years
Expected volatility (Note c)	**46.092%**	72.621%

22. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS/DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes: (continued)

(v) (continued)

As at 31 March 2014, the fair value of the Top-up Options and Put Options were HK$323,983,000 and HK$226,590,000 respectively, with an aggregate fair value loss of HK$49,534,000 recognised in profit or loss.

Notes:

(a) Risk free rate is determined by reference to the yield of the Hong Kong Exchange Fund Notes with duration similar to the expected life of the relevant bonds or shares.

(b) Expected life is the expected remaining life of the relevant bonds or options.

(c) Expected volatility is estimated by calculating the historical weekly share price volatility of the stock price of ICube Technology Holdings Limited and Up Energy of the relevant financial assets.

23. DEPOSITS

	2014 **HK$'000**	2013 HK$'000
Deposits for purchase of property, plant and equipment	**1,011**	991
Deposit paid for purchase of a land use right (Note)	**150,000**	150,000
	151,011	150,991

Note: During the year ended 31 March 2013, the Group entered into a memorandum of understanding with Sunshine Zhong Xing Capital Holdings Limited (the "Sunshine Zhong Xing"), which is an entity controlled by directors of a subsidiary of the Group, pursuant to which, the Group intends to acquire the entire share capital of Access Profit Global Enterprises Group Limited which owns a land use right in Xinjiang Uygur Autonomous Region in the PRC a land use right situated in the PRC. A refundable deposit of HK$150,000,000 has been paid.

On 20 June 2014, the Group entered into a supplementary agreement with Sunshine Zhong Xing to finalise the total consideration to be HK$150,000,000.

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24. DEFERRED TAXATION

For the purpose of presentation in the consolidated financial statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2014 **HK$'000**	2013 HK$'000
Deferred tax assets	–	205

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Withholding tax arise from PRC subsidiaries (Note) HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 April 2012 and 31 March 2013	(185)	390	205
Disposal of subsidiaries (Note 38(a))	185	(390)	(205)
At 31 March 2014	–	–	–

Note: Under the Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

At 31 March 2014, the Group has unused estimated tax losses of HK$113,000,000 (2013: HK$54,206,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

25. INVENTORIES

	2014 **HK$'000**	2013 HK$'000
Raw materials	**–**	4,658
Work in progress	**–**	5,138
Finished goods	**–**	6,641
Coal, consumables and others	**2,776**	2,840
	2,776	19,277

26. OTHER CURRENT FINANCIAL ASSETS

Trade and bills receivables

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

Included in the Group's trade and bills receivables are receivables of HK$56,748,000 (2013: HK$6,431,000) denominated in the currency other than the functional currency of the respective group entities.

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26. OTHER CURRENT FINANCIAL ASSETS (continued)

Trade and bills receivables (continued)

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 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 **HK$'000**	2013 HK$'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

Interest in relation to money lending business is accrued on a time basis, by reference to the principal outstanding (see note 27) and at effective interest rate applicable settlement of interest receivables is in accordance with the terms stated in agreement entered with its customers ranges from 1 month to 10 months.

In determining the recoverability of trade and bills receivables, the Group considers any change in the credit quality of the trade and bills receivables from the date credit was initially granted up to the report date. The Group considers that trade and bills receivables are determined to be impaired if they are aged for more than 180 days based on the management past experience that the balances are not recoverable. The directors believe that there is no further credit provision required as at the end of the reporting period.

26. OTHER CURRENT FINANCIAL ASSETS (continued)

Trade and bills receivables (continued)

Included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of HK$4,044,000 as at 31 March 2013, which were past due at the end of the reporting period for which the Group had not provided for impairment loss as there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral over these balances. The average age of these trade and bills receivables is 64 days. As at 31 March 2014, trade and bills receivables at the end of the reporting period are neither past due nor impaired. The Group did not provide impairment loss to trade and bills receivables.

Ageing of trade and bills receivables which are past due but not impaired

	2014 **HK$'000**	2013 HK$'000
Overdue by 1 to 30 days	**–**	2,481
Overdue by 31 to 60 days	**–**	1,006
Overdue by 61 to 180 days	**–**	557
	–	4,044

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26. OTHER CURRENT FINANCIAL ASSETS (continued)

Other receivables, deposits and prepayments

Other receivables and deposits comprise amounts receivable from third parties and recoverable within one year.

As at 31 March 2013, included in the Group's other receivables are receivables of HK$8,000 denominated in currencies other than the functional currency of the respective group entities.

Bank balances and cash and pledged bank deposits

As at 31 March 2014, bank deposits amounting to HK$44,613,000 (2013: nil) have been pledged to banks as security for the provision of HK$70,000,000 (2013: nil) banking facilities, carrying effective interest of 0.37% (2013: nil) per annum.

Bank balances and cash comprise cash held by the Group and short-term bank deposits with original maturity date less than three months, carrying effective interest at 0.27% (2013: 0.27%) per annum.

The bank balances and cash of HK$30,864,000 (2013: HK$47,963,000) are denominated in currencies other than the functional currency of the respective group entities.

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27. LOAN RECEIVABLES

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

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27. LOAN RECEIVABLES (continued)

Notes:

(a) On 6 December 2012, the Group purchased promissory note ("Carnival Note") issued by Carnival Group International Holdings Limited, which is a company with its shares listed on the Stock Exchange with principal amount of HK$25 million from an independent third party at a consideration of HK$25 million. The Carnival Note is denominated in HK$ and will mature on 21 December 2014. The Carnival Note bears interest at 3.5% per annum which is payable on the maturity date. The Carnival Note will be repayable at the maturity date at 100% of the principal amount with the accrued interest.

(b) Details of the Interest Bearing ICube Bond are set out in note 22(iii).

(c) The loan receivables are secured by properties or equity investments held by the borrowers.

(d) The loan receivable is guaranteed by the major shareholder of the borrower (the "Guarantee"). Subsequent to the reporting period, the Group entered into a share charge agreement, pursuant to which, the shares of the borrower and the equity investments held by the borrower are pledged to the Group in addition to the Guarantee.

Loan receivables at the end of reporting period are neither past due nor impaired. The Group did not provide impairment loss for loan receivables.

28. INVESTMENTS HELD FOR TRADING

	2014 **HK$'000**	2013 HK$'000
Investments held for trading include:		
Equity securities listed in Hong Kong, at fair value	**–**	138
Equity securities listed outside Hong Kong, at fair value	**–**	4
	–	142

Fair values of listed investments held for trading were based on quoted market bid price in the active market.

As at 31 March 2013, the investments held for trading of HK$4,000 were denominated in currencies other than the functional currency of the respective group entities.

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29. CONSIDERATION RECEIVABLES

	2014 HK$'000	2013 HK$'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 investment (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 (see note 38(c)). 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.

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29. CONSIDERATION RECEIVABLES (continued)

Notes: (continued)

(i) Consideration receivable from disposal of the Menggang Group (continued)

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 of 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.

29. CONSIDERATION RECEIVABLES (continued)

Notes: (continued)

(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.

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30. 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 (see note 31).

30. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

	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

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31. 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 (Note)	**–**	(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)

Note:

The amount represented the deposits paid to suppliers in previous years for purchase of property, plant and equipment for the planned technical improvement works to be carried out by the Xinjiang Coal Mining Operation. During the year ended 31 March 2013, as a result of the Champ Universe Disposal, the Group entered into termination agreements with these suppliers to cancel the purchase of property, plant and equipment. Since the deposits paid were non-refundable, after entering into the termination agreements, the deposits paid were written off accordingly.

31. DISCONTINUED OPERATIONS (continued)

	2014 **HK$'000**	2013 HK$'000 (Restated)
Profit (loss) for the year from discontinued operations has been arrived at after charging (crediting):		
Auditor's remuneration	**631**	422
Allowance for inventories	**–**	11,574
Depreciation of property, plant and equipment and investment property	**1,137**	4,156
Operating lease rentals in respect of rented premises	**3,204**	3,285
Amortisation of mining rights	**–**	992
Release of prepaid lease payments	**–**	706
(Gain) loss on disposal of property, plant and equipment	**(256)**	340
Directors' emoluments (Note)	**2,000**	–
Chief executive's emoluments		
Bonus (Note)	**–**	44,000
Other staff costs		
Fees, salaries, bonus and other allowances (Note)	**22,390**	72,886
Retirement benefit scheme contributions	**5,432**	5,825
	29,822	122,711
Interest income	**(608)**	(678)
Fair value loss (gain) on investments held-for-trading	**138**	(24)

Cash flows from discontinued operation:

Net cash flows from (used in) operating activities	**4,056**	(19,301)
Net cash flows used in investing activities	**(5,114)**	(27,872)
Net cash flows from financing activities	**–**	52,647

Note: During the year ended 31 March 2014, amount included a special bonus of HK$2,000,000 and HK$850,000 paid to a director and other staff respectively in respect of the completion of the disposal of the Champ Universe Group which was included in determining the gain on disposal of subsidiaries. Details are set out in note 38(b).

During the year ended 31 March 2013, amount included a special bonus of HK$44,000,000 and HK$6,000,000 paid to the chief executive and other staff respectively in respect of the completion of the disposal of the Menggang Group which was included in determining the gain on disposal of subsidiaries. Details are set out in note 38(c).

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32. OTHER CURRENT FINANCIAL LIABILITIES

Trade and bills payables

	2014 **HK$'000**	2013 HK$'000
Trading 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 **HK$'000**	2013 HK$'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

As at 31 March 2014, included in the Group's trade and bills payables, HK$23,879,000 (2013: HK$680,000) are denominated in currencies other than the functional currency of the respective group entities.

Other payables, deposits received and accruals

Other payables principally comprise amounts outstanding for ongoing costs.

As at 31 March 2014, included in other payables, deposits received and accruals, HK$nil (2013: HK$2,485,000) are denominated in currencies other than the functional currency of the respective group entities.

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33. 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 for 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.

The fair value of the Notes was determined based on the present value of the estimated future cash flows discounted by the prevailing market rate of interest of similar instruments. The fair value of the embedded early redemption option was calculated using the option pricing model. The inputs into the valuation of the Notes were as follows:

	At 31 March 2013
Risk free rate (Note a)	0.097%
Expected life (Note b)	5.3 months
Credit and other spread (Note c)	22.503%
Discount rate	22.975%

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33. SECURED NOTES (continued)

Notes:

(a) Risk free rate was determined by reference to the yield of the Hong Kong Exchange Fund Bills with duration similar to the expected life of the Notes.

(b) Expected life was the expected remaining life of the Notes.

(c) Credit and other spread was determined by reference to credit analysis of the Company and market yield of bonds issued by comparable companies with similar credit strength as well as the Company's specific risk premium.

As at 31 March 2013, the fair value of the Notes was HK$122,582,000, with a fair value loss of HK$20,812,000 recognised in profit or loss. As at 31 March 2013, the fair value of the embedded early redemption option was insignificant.

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.

34. BORROWINGS

	2014 HK$'000	2013 HK$'000
Bank overdrafts – secured (Note a)	**17,000**	–
Bank loans – secured (Note b)	**193,000**	–
Other borrowings – unsecured (Note c)	**14,000**	–
	224,000	–
Carrying amount repayable (based on the scheduled repayment dates set out in the loan agreements):		
Within one year	**210,000**	–
More than five years	**14,000**	–
	224,000	–
Comprising:		
Amounts due within one year shown under current liabilities	**210,000**	–
Amounts shown under non-current liabilities	**14,000**	–
	224,000	–

Notes:

(a) The bank overdrafts are secured by pledged bank deposits of HK$40,000,000. The bank overdrafts carry floating rate of Hong Kong Interbank Offered Rate ("HIBOR") plus 5% or Prime Rate, i.e. effective interest rate of 5% to 5.55% per annum.

(b) The Group's bank borrowings are 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 the Group and a yacht of the Group.

The bank loans carry floating rates of Hong Kong Interbank Offered Rate plus 3.7%, i.e. effective interest rate of 4.25% per annum.

(c) The borrowings are unsecured, carries fixed rate of 5.5% per annum and will mature in year 2021.

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35. RETIREMENT BENEFIT SCHEMES

The Group operated a pension scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance ("MPF Scheme"). The assets of the MPF Scheme are held separately in an independently administrated fund. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible Hong Kong employees' monthly relevant income but limited to the cap of HK$1,250 per month starting from 1 June 2012 (prior to 1 June 2012: HK$1,000). The contributions are charged to profit or loss.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by respective local governments. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to profit or loss of HK$6,356,000 (2013: HK$6,184,000) represent contribution paid or payable to the schemes by the Group at rates specified in the rules of the schemes.

Defined benefit plan

The Group operates an unfunded defined benefit plan for qualifying employees of its subsidiary in France. Under the scheme, the employees are entitled to retirement benefits which are based on the estimated final salary and the length of the service to the retirement. No other post-retirement benefits are provided.

36. 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 (Note a)	3,000,000	150
At 31 March 2013	3,930,535,804	196,527
Share issued upon exercise of warrants (Note b)	41,500,000	2,075
At 31 March 2014	**3,972,035,804**	**198,602**

Details of the changes in the Company's share capital for the years ended 31 March 2013 and 2014 are as follows:

(a) During the year ended 31 March 2013, a total of 3,000,000 new ordinary shares of the Company of HK$0.05 each were issued upon the exercise of 3,000,000 warrants at HK$0.1625 per share. Details of the warrants are set out in note 37.

(b) During the year ended 31 March 2014, a total of 41,500,000 new ordinary shares of the Company of HK$0.05 each were issued upon the exercise of 41,500,000 warrants at HK$0.1625 per share. Details of the warrants are set out in note 37.

All the shares which were issued during both years rank pari passu with the then existing shares in all respects.

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36. SHARE CAPITAL (continued)

On 26 March 2014, the Group proposed capital reorganisation ("Capital Reorganisation"), which includes i) share consolidation whereby every ten shares of nominal value of HK$0.05 each in the issued and unissued share capital of the Company will be consolidated into one consolidated share of nominal value of HK$0.50 (the "Consolidated Share") (the "Share Consolidation"); ii) capital reduction whereby the issued share capital of the Company will be reduced by the cancellation of the paid-up capital of the Company to the extent of HK$0.49 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK$0.50 to HK$0.01(the "Capital Reduction"); iii) the credit arising from the Capital Reduction will be applied towards cancelling the accumulated losses of the Company and the balance thereof (if any) be transferred to the distributable capital reduction reserve account of the Company or other reserve of the Company which may be utilised as a distributable reserve in accordance with the articles of association of the Company; iv) share subdivision whereby each of the authorised but unissued Consolidated Shares of nominal value of HK$0.50 each will be sub-divided into fifty shares of nominal value of HK$0.01each.

Completion of the Capital Reorganisation was subject to fulfilment of conditions precedent including, amongst others, the approval from shareholders of the Company and the approval of relevant authorities of the Cayman Islands. The Capital Reorganisation was approved by the Company's shareholders in an extraordinary general meeting held on 12 May 2014.

37. RESERVES

Share premium

	2014	2013
	HK$'000	HK$'000
At the beginning of year	**2,819,640**	2,819,303
Issue of new shares upon exercise of warrants	**4,669**	337
At the end of year	**2,824,309**	2,819,640

37. RESERVES (continued)

Warrant reserve

	2014 HK$'000	2013 HK$'000
At the beginning of year	**7,570**	6,331
Warrants matured	**–**	(6,331)
Issue of warrants (Note)	**–**	7,855
Transaction costs attributable to issue of warrants	**–**	(256)
Exercise of warrants (Note)	**(401)**	(29)
At the end of the year (Note)	**7,169**	7,570

Note: On 21 January 2013, 785,500,000 warrants of the Company were issued under a placing arrangement to 19 independent placees at issue price of HK$0.01 per warrant at exercise price of HK$0.1625 per share at any time up to 20 January 2015. The proceeds from the placing of the warrants were HK$7,855,000. The warrants issued by the Company were classified as equity instrument, which is stated at the proceeds received, net of direct issue cost.

During the year ended 31 March 2014, a total of 41,500,000 (2013: 3,000,000) warrants were exercised. As at 31 March 2014, there was 741,000,000 (2013: 782,500,000) warrants outstanding which is convertible into 741,000,000 (2013: 782,500,000) new ordinary shares of the Company.

Statutory surplus reserve

	2014 HK$'000	2013 HK$'000
At the beginning and the end of year	**3,539**	3,539

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37. RESERVES (continued)

Share option reserve

	2014 HK$'000	2013 HK$'000
At the beginning of year	**43,900**	34,719
Transfer to accumulated losses upon forfeiture of share options	**(4,154)**	(6)
Recognition of equity-settled share-based payments	**2,462**	9,187
At the end of year	**42,208**	43,900

Asset revaluation reserve

	2014 HK$'000	2013 HK$'000
At the beginning of year	**16,697**	1,826
Fair value changes on available-for-sale investments	**193,626**	(4,011)
Reclassification adjustment to profit or loss on impairment loss	**24,613**	15,555
Reclassification adjustment to profit or loss upon disposal	**(29,061)**	3,327
Reclassification adjustments relating to foreign operations disposed of	**(2,126)**	–
At the end of year	**203,749**	16,697

Special reserve

	2014 HK$'000	2013 HK$'000
At the beginning and the end of year	**(5,754)**	(5,754)

37. RESERVES (continued)

Translation reserve

	2014 HK$'000	2013 HK$'000
At the beginning of year	**76,909**	181,956
Exchange differences arising on translation of foreign operations	**12,591**	15,458
Reclassification adjustments relating to foreign operations disposed of	**(87,686)**	(120,505)
At the end of year	**1,814**	76,909

38. DISPOSAL OF SUBSIDIARIES

(a) Winbox Group Disposal

During the year ended 31 March 2014, the Group disposed of its entire interest in the Winbox Group. The Winbox Group Disposal was completed on 14 March 2014.

Analysis of assets and liabilities over which control was lost:

	2014 HK$'000
Property, plant and equipment	**11,454**
Investment property	**929**
Deferred tax assets	**205**
Available-for-sale investments	**16,479**
Interests in associates	**26**
Amounts due from associates	**3,669**
Inventories	**28,291**
Trade and bills receivables	**14,481**
Other receivables and prepayments	**2,018**
Investments held for trading	**4**
Bank balance and cash	**30,178**
Trade and other payables	**(5,897)**
Other payables, deposits received and accruals	**(15,341)**
Tax payables	**(3,138)**
	83,358

38. DISPOSAL OF SUBSIDIARIES (continued)

(a) Winbox Group Disposal (continued)

Net gain on disposal of subsidiaries:

	2014 HK$'000
Cash consideration received	6,500
Deferred cash consideration receivables	5,702
Shares consideration	61,235
Net assets disposed of	(83,358)
Reclassification of cumulative translation reserve upon disposal of the Winbox Group to profit or loss	9,923
Reclassification of asset revaluation reserve upon disposal of the Winbox Group to profit or loss	2,126
Other direct costs	(909)
Net gain on disposal	1,219

Net gain on disposal of HK$1,219,000 was included in profit or loss from discontinued operation in the consolidated statement of profit or loss and other comprehensive income (see note 31).

Net cash outflow arising from the Winbox Group Disposal at the date of disposal:

	2014 HK$'000
Total cash consideration received	6,500
Less: Bank balances and cash disposed of	(30,178)
Other direct costs paid	(909)
Net cash outflow arising on disposal for the year ended 31 March 2014	(24,587)

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38. DISPOSAL OF SUBSIDIARIES (continued)

(b) Champ Universe Disposal

During the year ended 31 March 2014, the Group disposed of its entire interest in the Champ Universe Group. The Champ Universe Disposal was completed on 28 June 2013.

Analysis of assets and liabilities over which control was lost:

	2014 **HK$'000**
Property, plant and equipment	**41,947**
Prepaid lease payments	**1,903**
Mining rights	**1,580,202**
Deposits	**7,449**
Inventories	**465**
Other receivables and prepayments	**86**
Bank balance and cash	**50,345**
Other payables	**(34,859)**
Provision for restoration and environment costs	**(6,889)**
Borrowings	**(33,796)**
	1,606,853

Net gain on disposal of subsidiaries:

	2014 **HK$'000**
Cash consideration received	**845,000**
Shares consideration received	**176,400**
Options consideration received	**600,107**
Reclassification of cumulative translation reserve upon disposal of the Champ Universe Group to profit or loss	**77,763**
Net assets disposed of	**(1,606,853)**
Other direct costs (Note)	**(5,220)**
Net gain on disposal	**87,197**

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38. DISPOSAL OF SUBSIDIARIES (continued)

(b) Champ Universe Disposal (continued)

Net gain on disposal of HK$87,197,000 was included in profit or loss from discontinued operation in the consolidated statement of profit or loss and other comprehensive income (see note 31).

Net cash inflow arising from the Champ Universe Disposal at the date of disposal:

	2014 **HK$'000**
Total cash consideration received	**845,000**
Less: Bank balances and cash disposed of	**(50,345)**
Other direct costs paid	**(2,370)**
	792,285
Less: Deposit received in prior year	**(10,000)**
Net cash inflow arising on the disposal for the year ended 31 March 2014	**782,285**

Note: The successful completion of the Champ Universe Disposal generated significant cash flows and net gain on disposal of subsidiaries to the Group. In order to recognise the efforts of certain employees participating in this transaction, the remuneration committee of the Company approved a special bonus of HK$2,850,000 in June 2014. Included in this special bonus, HK$2,000,000 was paid to a director and the remaining HK$850,000 was paid to other staff.

38. DISPOSAL OF SUBSIDIARIES (continued)

(c) Menggang Group Disposal

During the year ended 31 March 2013, the Group disposed of its entire interest in the Menggang Group. The net gain on disposal of the Menggang Group was as follows:

Analysis of assets and liabilities over which control was lost:

	2013 HK$'000
Property, plant and equipment	359,600
Prepaid lease payments	25,891
Mining rights	2,056,632
Deposits	19,137
Inventories	3,070
Other receivables and prepayments	20,033
Cash deposited in a special purpose account	8,285
Other payables	(3,920)
Deferred tax liabilities	(513,018)
Special purpose fund	(366,990)
	1,608,720

Net gain on disposal of subsidiaries:

	2013 HK$'000
Consideration received and receivable (Note i)	1,846,817
Adjustment on consideration (Note i)	(92,870)
Net assets disposed of	(1,608,720)
Reclassification of cumulative translation reserve upon disposal of the Menggang Group to profit or loss	120,505
Stamp duty and other direct costs (Note ii)	(124,113)
Net gain on disposal	141,619

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38. DISPOSAL OF SUBSIDIARIES (continued)

(c) Menggang Group Disposal (continued)

Net gain on disposal of HK$141,619,000, together with attributable income tax expenses related to this disposal of HK$124,121,000, are included in profit or loss from discontinued operation in the consolidated statement of profit or loss and other comprehensive income (see note 31).

Net cash inflow arising from the Menggang Group Disposal at the date of disposal:

	2013 HK$'000
Total cash consideration received (Note iii)	1,604,072
Stamp duty and other direct costs paid (Note ii)	(124,113)
Withholding tax paid (Note iv)	(105,589)
	1,374,370

Notes:

(i) According to the sale and purchase agreement entered into between the Group and the Purchaser, the Total Consideration of RMB1,503,000,000 (approximately HK$1,846,817,000) will be satisfied by four instalments: HK$949,417,000 by completion; HK$523,759,000 by 90 days subsequent to the completion; HK$280,763,000 by 180 days subsequent to the completion and the remaining HK$92,878,000 by fifteen months subsequent to the completion. On 19 November 2013, the Group and the Purchaser entered into a supplemental agreement in relation to the Disposal ("Supplemental Agreement"), pursuant to which the Group and the Purchaser agreed to reduce the Total Consideration by RMB75,000,000 (approximately HK$92,870,000). Such reduction shall be settled by deducting the third installment by RMB40,000,000 (approximately HK$49,613,000) and deducting the final installment by RMB35,000,000 (approximately HK$43,257,000).

(ii) The successful completion of the Menggang Group Disposal generated significant cash flows and net gain on disposal of subsidiaries to the Group. In order to recognise the efforts of certain employees participating in this transaction, the remuneration committee of the Company approved a special bonus of HK$50 million in September 2013. Included in this special bonus, HK$44 million was paid to a director and the remaining HK$6 million was paid to other staff.

(iii) During the year ended 31 March 2013, the Purchaser fully settled the first and second installment, plus HK$130,896,000 of the third installment. 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. Details are set out in note 29(i).

(iv) Withholding tax recognised in respect of the Menggang Group Disposal was HK$124,121,000. As at 31 March 2014, HK$18,532,000 of the total withholding tax was not yet settled and will be settled upon the receipt of the remaining unsettled consideration as detailed in note 29(i).

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39. PLEDGE OF ASSETS

Other than disclosed in note 8, the Group also pledged HK$4,613,000 bank deposit to settle certain of its trade and bills payables as at 31 March 2014.

40. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2014	2013
	HK$'000	HK$'000
Within one year	**7,570**	10,937
In the second to fifth year inclusive	**4,669**	6,182
	12,239	17,119

Operating lease payments represent rentals payable by the Group for certain of its office and residential premises. Leases are negotiated for lease term of two to five years and rentals are fixed over the relevant lease term.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2014	2013
	HK$'000	HK$'000
Within one year	**–**	420
Within two to five years	**–**	1,456
	–	1,876

During the year ended 31 March 2013, rental income under operating leases recognised was HK$420,000, less outgoings of HK$88,000.

During the year ended 31 March 2014, the Group's operating lease commitment as lessor was released upon the disposal of the Winbox Group.

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40. COMMITMENTS (continued)

(b) Capital commitments in respect of addition of property, plant and equipment:

	2014	2013
	HK$'000	HK$'000
Capital expenditure in respect of addition of property, plant and equipment contracted for but not provided in the consolidated financial statements (Note a)	**150,000**	5,080
Capital expenditure in respect of addition of property, plant and equipment authorised but not contracted for (Note b)	**–**	924,700

Notes:

(a) On 20 June 2014, the Group entered into a supplementary agreement with Sunshine Zhong Xing to finalise the total consideration to be HK$150,000,000. As the Group has paid HK$150,000,000 as at 31 March 2014, the capital commitment of the further HK$150,000,000 has been subsequently released.

(b) As at 31 March 2013, HK$924,700,000 capital commitments in respect of addition of property, plant and equipment also included those related to the Xingiang Coal Mining Operation.

41. SHARE OPTION SCHEME

The Company's share option scheme was adopted on 16 May 2006 (the "Scheme"). The major terms of the Scheme are set out below:

(i) The purpose was to provide incentives to the participants;

(ii) The participants included any full-time or part-time employees, executives and officers of the Company and any of its subsidiaries (including executives, non-executive directors and independent non-executive directors of the Company and any of its subsidiaries) and business consultants and legal and other professional advisors of the Company or its subsidiaries which, in the opinion of the Company's board of directors, has or had made contribution to the Group;

41. SHARE OPTION SCHEME (continued)

(iii) The maximum number of shares in respect of which options might be granted under the Scheme must not exceed 30% of the issued share capital of the Company from time to time. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder or an independent non-executive director in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders;

(iv) In relation to each grantee of the options granted under the Scheme, the right of the grantee to exercise the option shall vest in three stages: 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of one year from the acceptance date of the option (the "Acceptance Date") up to the day immediately before the fourth anniversary of the Acceptance Date; 30% of share options granted (rounded down to the nearest whole number of shares) will vest from the expiry of two years from the Acceptance Date up to the day immediately before the fifth anniversary of the Acceptance Date; and 40% of the share options granted (round down to the nearest whole number of shares) will vest from the expiry of three years from the Acceptance Date up to the day immediately before the sixth anniversary of the Acceptance Date;

(v) The exercise price of an option will be determined by the board of directors of the Company and will not be less than the highest of:

- the closing price of the share on the date of grant;
- the average closing price of the share for the 5 business days immediately preceding the date of grant;
- the nominal value of the share; and

(vi) A consideration of HK$1 is payable on acceptance of the offer of grant of options.

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41. SHARE OPTION SCHEME (continued)

Details of the share options outstanding under the Scheme and movements during the two years were as follows:

Grantee	Date of grant	Exercising period	Exercise price per share HK$	Outstanding at 1 April 2012	Forfeited during the year	Outstanding at 31 March 2013	Forfeited during the year	Outstanding at 31 March 2014
				Number of share options				
Director								
Fok Chi Tak (Note)	8.4.2011	8.4.2012 to 8.4.2015	0.74	600,000	–	600,000	–	600,000
	8.4.2011	8.4.2013 to 8.4.2016	0.74	600,000	–	600,000	–	600,000
	8.4.2011	8.4.2014 to 8.4.2017	0.74	800,000	–	800,000	–	800,000
Chief Executive								
Ms. Li	27.9.2010	27.9.2012 to 26.9.2014	0.800	5,700,000	–	5,700,000	–	5,700,000
	27.9.2010	27.9.2013 to 26.9.2015	0.800	5,700,000	–	5,700,000	–	5,700,000
	27.9.2010	27.9.2014 to 26.9.2016	0.800	7,600,000	–	7,600,000	–	7,600,000
Other employees	8.6.2007	8.6.2009 to 5.7.2013	0.860	15,000	(15,000)	–	–	–
	8.6.2007	8.6.2010 to 5.7.2014	0.860	260,000	–	260,000	(260,000)	–
	1.4.2010	1.4.2012 to 31.3.2014	1.202	6,000,000	–	6,000,000	(6,000,000)	–
	1.4.2010	1.4.2013 to 31.3.2015	1.202	6,000,000	–	6,000,000	–	6,000,000
	1.4.2010	1.4.2014 to 31.3.2016	1.202	8,000,000	–	8,000,000	–	8,000,000
	27.8.2010	27.8.2012 to 26.8.2014	0.800	1,950,000	–	1,950,000	–	1,950,000
	27.8.2010	27.8.2013 to 26.8.2015	0.800	1,950,000	–	1,950,000	–	1,950,000
	27.8.2010	27.8.2014 to 26.8.2016	0.800	2,600,000	–	2,600,000	–	2,600,000
	27.9.2010	27.9.2012 to 26.9.2014	0.800	13,170,000	–	13,170,000	–	13,170,000
	27.9.2010	27.9.2013 to 26.9.2015	0.800	13,170,000	–	13,170,000	–	13,170,000
	27.9.2010	27.9.2014 to 26.9.2016	0.800	17,560,000	–	17,560,000	–	17,560,000
	8.4.2012	8.4.2012 to 8.4.2015	0.740	1,350,000	–	1,350,000	–	1,350,000
	8.4.2012	8.4.2013 to 8.4.2016	0.740	1,350,000	–	1,350,000	–	1,350,000
	8.4.2012	8.4.2014 to 8.4.2017	0.740	1,800,000	–	1,800,000	–	1,800,000
				96,175,000	(15,000)	96,160,000	(6,260,000)	89,900,000
Weighted average exercise price				0.880	0.860	0.880	1.188	0.858
Exercisable at the end of the year				27,095,000		55,850,000		87,300,000

Note: Mr. Fok Chi Tak is the Chief Financial Officer of the Company and was appointed as a director of the Company on 27 September 2013.

In the current year, share option expenses of HK$2,462,000 (2013: HK$9,187,000) were recognised in profit or loss with a corresponding credit in the Group's share option reserve.

42. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

(a) During the year ended 31 March 2014, the Group disposed of its entire interest in the Winbox Group to Goodwill International, which is controlled by a director of a subsidiary prior to the completion of the Winbox Group Disposal.

(b) During the year ended 31 March 2013, the Group settled the entire outstanding amount of the convertible notes with an aggregate carrying amount of HK$639,349,000. Noteholders of the convertible notes are companies in which Ms. Li has controlling interests.

(c) During the year ended 31 March 2013, the Group paid HK$150,000,000 as deposit to directors of a subsidiary for acquisition of a land use right situated in the PRC through acquisition of a company owned by these directors. Details are set out in note 23.

(d) During the year ended 31 March 2013, interest of HK$1,293,000 was charged for the convertible notes with the noteholders, in which Ms. Li has controlling interests.

(e) During the year ended 31 March 2013, the Group and a director of subsidiaries incorporated two associates with capital injection of HK$1,000. As at 31 March 2013, the Group had amounts due from associates of HK$3,669,000.

The remuneration of directors and other members of key management during the year was as follows:

	2014	2013
	HK$'000	HK$'000
Salaries and other short-term benefits	**16,650**	58,811
Post-employment benefits	**96**	74
Share-based payments	**1,484**	4,477
	18,230	63,362

The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

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43. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 March 2014, as part of the consideration of the disposal of the Champ Universe Group, the Group received shares consideration with fair value of HK$176,400,000 and options consideration with fair value of HK$600,107,000, which are classified as available-for-sale investments and derivative financial instruments respectively.

(b) During the year ended 31 March 2014, as part of the consideration of the disposal of the Winbox Group, the Group received shares consideration with fair value of HK$61,235,000, which is classified as available-for-sale investments and consideration receivable with fair value of HK$5,702,000.

(c) During the year ended 31 March 2014, the consideration for the disposal of unlisted equity securities of HK$10,000,000 was yet to be received and included in the consolidated statement of financial position as consideration receivable.

(d) During the year ended 31 March 2013, the consideration for the disposal of subsidiaries of HK$149,875,000 was yet to be received and included in the consolidated statement of financial position as consideration receivable. In addition, withholding tax of HK$18,532,000 was yet to be settled and included in consolidated statement of financial position as tax payable.

(e) During the year ended 31 March 2013, the actual consideration received by the Group for the disposal of subsidiaries was HK$1,498,483,000, which represented consideration of HK$1,604,072,000 and net of withholding tax of HK$105,589,000.

(f) During the year ended 31 March 2013, upon the change in certain terms and conditions of the ICube Bond, the fair value of the ICube Bond of HK$11,144,000 was derecognised. The Interest Bearing ICube Bond and the Convertible ICube Bond of HK$5,572,000 and HK$5,572,000 were recognised as financial assets designated at fair value through profit or loss and loan receivables respectively.

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 March 2014 and 2013 are as follows:

Name of subsidiary	Place of incorporation or registration/ operations	Class of shares held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company 2014		2013		Principal activities
				Directly	Indirectly	Directly	Indirectly	
Winbox (BVI) Limited (Note i)	The British Virgin Islands ("BVI")	Ordinary	US$460	-	-	100%	–	Investment holding
Win Team Investments Limited	BVI	Ordinary	US$1	**100%**	-	100%	–	Investment holding
Champ Universe Limited (Note i)	BVI	Ordinary	US$1	-	-	100%	–	Investment holding
Baicheng Wenzhou Mining Development Co., Ltd. (Note i)	The PRC (Note iii)	Contributed capital	RMB9,280,000	-	**100%**	–	100%	Development of underground coking coal mine
Dardel S.A.S. (Note i)	France	Ordinary	EUR470,000	-	-	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Donguang Ever Green Plastic Manufacturing Company Limited (Note i)	The PRC (Note iii)	Contributed	US$1,000,000	-	-	–	100%	Manufacture and sale of quality plastic and paper boxes for luxury consumer goods and provision of sub-contracting services (intra group service)
Fairich Investment Limited (Note i)	Hong Kong	Ordinary	HK$2	-	-	–	100%	Investment holding
Grand Cast Limited (Note i)	Hong Kong	Ordinary	HK$2	-	-	–	100%	Investment holding
Golden Hope Holdings Limited (Note i)	Hong Kong	Ordinary	HK$1	-	-	–	100%	Investment holding
Merrymaking Investment Limited	BVI	Ordinary	US$10,000	-	**100%**	–	100%	Investment holding
Pleasing Results Limited	BVI	Ordinary	US$50,000	-	**100%**	–	100%	Investment holding
Venture Path Limited (Note i)	BVI	Ordinary	US$10,000	-	-	–	100%	Investment holding
Winbox Company Limited (Note i)	Hong Kong	Ordinary	Ordinary shares HK$5,500,000 Non-voting deferred shares HK$5,500,000 (Note ii)	-	-	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name of subsidiary	Place of incorporation or registration/ operations	Class of shares held	Issued and fully paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company 2014 Directly	2014 Indirectly	2013 Directly	2013 Indirectly	Principal activities
Winbox Plastic Manufacturing (Shenzhen) Company Limited (Note i)	The PRC (Note iii)	Contributed capital	HK$30,000,000	-	-	–	100%	Manufacture and sale of quality plastic and paper boxes for luxury consumer goods and provision of sub-contracting services (intra group service)
Winpac Europe Limited (Note i)	United Kingdom	Ordinary	£500,000	-	-	–	100%	Investment holding
Winpac International Limited (Note i)	Hong Kong	Ordinary	HK$2	-	-	–	100%	Investment holding
Winpac Trading Co. Limited (Note i)	Hong Kong	Ordinary	HK$500,000	-	-	–	100%	Sale of quality plastic and paper boxes for luxury consumer goods
Winpac SARL (Note i)	France	Ordinary	EUR10,000	-	-	–	100%	Property holding
Hao Tian Management (Hong Kong) Limited	Hong Kong	Ordinary	HK$10,000	-	**100%**	–	100%	Investment holding and provision of management services
Hao Tian Finance Company Limited	Hong Kong	Ordinary	HK$1	-	**100%**	–	100%	Money lending
Hao Tian Hua Chen International Group Limited	Hong Kong (Note iv)	Ordinary	HK$10,000,000	-	**50%**	–	50%	Investment holding

Notes:

(i) These subsidiaries had been disposed of during the year ended 31 March 2014.

(ii) The holders of the non-voting deferred shares are not entitled to receive notice of or to attend or vote at any general meeting of this subsidiary, and not entitle to participate in the profits of this subsidiary. On a winding up, the holders of the non-voting deferred shares are entitled to be paid out of the surplus assets a return of the capital paid up on such shares after a total of HK$100,000,000 has been distributed in respect of each of the shares.

(iii) These subsidiaries were established in the PRC as wholly foreign-owned enterprises. The English names of these subsidiaries were for identification purpose only.

(iv) The Group holds 50% interest of this subsidiary. In accordance with the shareholder's agreement signed between the Group and other investor, the Group is eligible to appoint three directors of the subsidiary while the other investor can only appoint two directors. Hence, the Group has control over this subsidiary.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2014	2013
Investment holding	Hong Kong	**26**	19
	PRC	**6**	2
		32	21

45. EVENTS AFTER THE REPORTING PERIOD

On 25 April 2014, the Group proposed to raise not less than approximately HK$198.6 million and not more than approximately HK$238.0 million, before expenses, by issuing not less than 794,407,160 offer shares and not more than 951,787,160 offer shares to the qualifying shareholders by way of an open offer at the subscription price of HK$0.25 per offer share on the basis of two offer shares for every one existing share (the "Open Offer"). In addition, not less than 794,407,160 bonus shares and not more than 951,787,160 bonus shares will be issued on the basis of one bonus share for every one offer share (the "Bonus Issue").

The Open Offer and Bonus Issue has not yet completed up to the reporting date.

Financial Summary

RESULTS

	Year ended 31 March				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue – included discontinued operations	97,029	122,099	143,079	145,510	**201,768**
Loss for the year attributable to:					
owners of the Company	(469,409)	(96,646)	(378,458)	(219,324)	**(12,415)**
non-controlling interests	–	–	–	(2)	**(44)**
Loss for the year	(469,409)	(96,646)	(378,458)	(219,326)	**(12,459)**

ASSETS AND LIABILITIES

	At 31 March				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	2,502,224	2,744,900	4,314,591	2,689,216	**2,830,127**
Total liabilities	(1,403,942)	(945,065)	(1,580,030)	(241,913)	**(276,270)**
	1,098,282	1,799,835	2,734,561	2,447,303	**2,553,857**
Equity attributable to					
owners of the Company	1,098,282	1,799,835	2,734,561	2,442,305	**2,548,903**
Non-controlling interest	–	–	–	4,998	**4,954**
	1,098,282	1,799,835	2,734,561	2,447,303	**2,553,857**