Annual Report 2014/15

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)

Contents

Corporate Information

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Ming Sun, Jonathan
Mr. Ma Lin (resigned on 30 September 2014)
Mr. Lam Kwan Sing
Mr. Lee Chi Hwa, Joshua
(appointed on 30 September 2014)

AUDIT COMMITTEE

Mr. Chan Ming Sun, Jonathan
(Chairman of Committee)
Mr. Ma Lin (resigned on 30 September 2014)
Mr. Lam Kwan Sing
Mr. Lee Chi Hwa, Joshua
(appointed on 30 September 2014)

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

Mr. Yick Ting Fai Jeffrey

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

United Overseas Bank Limited
25/F., Gloucester Tower,
The Landmark, 15 Queen's Road
Central, 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
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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	2015	2014
Operating Results	**HK$'000**	HK$'000
Revenue	**269,559**	40,323
Net profit (loss)	**1,522,378**	(12,459)
Per Share Data	**HK cents**	HK cents (Restated)
Profit (Loss) per share – basic and diluted	**68.63**	(0.77)
Net asset per share	**167.28**	64.30
Financial Position	**HK$'000**	HK$'000
Total assets	**6,193,193**	2,830,127
Net assets	**4,925,310**	2,553,857
Financial Ratio	**%**	%
Debt to equity	**14.56**	8.77

Directors, Senior Management and Staff

DIRECTORS

Executive Directors

Mr. Xu Hai Ying, aged 61, 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 46, 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 was 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 39, 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 15 years of experience in corporate finance, corporate governance, mergers and acquisitions, auditing and financial management. Mr. Fok currently serves as an executive director of Far East Holdings International Limited (stock code: 36, a company listed on the main board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"). He was the company secretary and qualified accountant of Golden Eagle Retail Group Limited (stock code 3308, a company listed on the main board of the Stock Exchange) and resigned in December 2010.

Independent Non-Executive Directors

Mr. Chan Ming Sun Jonathan, aged 42, 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 a fellow 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 investment manager of Sprint Asset Management Limited. Mr. Chan is also an independent non-executive director of each of China Dredging Environment Protection Holdings Limited (Stock code: 871), Far East Holdings International Limited (Stock code: 36) and Shenyang Public Utility Holdings Company Limited (Stock code: 747), whose securities are listed on the main board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"), and of Changhong Jiahua Holdings Limited (Stock code: 8016), L&A International Holdings Limited (Stock code: 8195) and Focus Media Network Limited (Stock code: 8112), 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 (Stock code: 706) on 28 February 2014.

Directors, Senior Management and Staff

Mr. Lam Kwan Sing, aged 45, 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 Natural Resources, Inc. (a company listed on NASDAQ since 2003) and an executive director of China Smarter Energy Group Holdings Limited (formerly known as Rising Development Holdings Limited) (a company listed on the main board of the Stock Exchange, stock code: 1004). Mr. Lam was an executive director of each of Shanghai Industrial Urban Development Group Limited (stock code: 563) from May 2008 to July 2010 and Enterprise Development Holdings Limited (stock code: 1808) from February 2012 to May 2015, which are both listed on the main board of the Stock Exchange.

Mr. Lee Chi Hwa Joshua, aged 42, is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants. Mr. Lee has extensive experience in the fields of auditing, accounting and finance. Mr. Lee currently serves as an independent non-executive director of each of China Fortune Investments (Holding) Limited (stock code: 8116) and Code Agriculture (Holdings) Limited (stock code: 8153), which are both listed on the Growth Enterprise Market of the Stock Exchange, and Jin Bao Bao Holdings Limited (stock code: 1239), which is listed on the main board of the Stock Exchange. He was also an independent non-executive director of each of King Stone Energy Group Limited (stock code: 663) from January 2012 to April 2013 and South East Group Limited (stock code: 726) from December 2013 to February 2015.

CHIEF EXECUTIVE OFFICER

Ms. Li Shao Yu, aged 45, 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

Mr. Yick Ting Fai Jeffrey ("**Mr. Yick**") has been appointed as the company secretary of the Company in 10 April 2015. Mr. Yick, aged 31, graduated from The Hong Kong Polytechnic University with a degree of Bachelor of Science in surveying. He subsequently obtained the Juris Doctor degree as well as the Postgraduate Certificate in Laws (PCLL) from The Chinese University of Hong Kong. Mr. Yick was admitted to practice law as a solicitor in Hong Kong in 2012. Mr. Yick worked in both international and local law firms and is experienced in Hong Kong listing projects, corporate governance, compliance and company secretarial matters. Mr. Yick is currently an independent non-executive director of China Eco-Farming Limited (stock code: 8166.HK), a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

Director's Statement

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 2015 (the "year under review").

I am pleased to witness the Group's development and performance in securities investment and money lending business during the year under review. In view of the results of the Group during the year under review and the possible growth of the Hong Kong stock market and the money lending business, the Group will further expand the scale of its money lending business and actively invest in the Hong Kong securities market.

The Group has also completed the acquisition of the entire equity interests in Xinjiang Xinpin Logistics Co., Ltd. (新疆新品物流有限公司) ("Xinpin Logistics") during the year under review. Responding to the "One Belt and One Road" policy, the Group will construct logistics base in Xinjiang for the development of its warehousing logistics business.

It remains the long-term corporate strategies of the Group to actively seek for diversified business development opportunities to expand the scale of the Group and to increase its revenue on top of the development of existing business.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders for their great support and trust, and to our directors, management and staff for their invaluable contributions to the Group over the past year. The Group will also actively develop its own businesses to achieve fabulous returns for our shareholders.

Dr. Zhiliang Ou
Executive Director

Hong Kong, 26 June 2015

Management Discussion and Analysis

BUSINESS REVIEW

Money Lending Business

During the year ended 31 March 2015 (the "Year Under Review"), the money lending business of the Group generated interest income of approximately HK$60.4 million (2014: HK$39.1 million). Revenue from the money lending business increased by approximately 54.5% year-on-year, accounting for approximately 99.2% of the Group's total revenue during the Year Under Review and has became one of the major revenue streams of the Group. The main services of the money lending business of the Group include personal loans to high net worth clients, alongside with provision of mortgage loans. As at 31 March 2015, the outstanding loan of the money lending business of the Group amounted to approximately HK$444.0 million.

Securities Investment Business

During the Year Under Review, the Company has previously adopted a longer term perspective in terms of its investment strategy. In view of the current economic and capital markets environment, it is now a good time to broaden its investment strategy and the Company has commenced to engage in and focus on the short term trading of listed securities business. The broadening of its investment strategy will allow greater flexibility in terms of reaping gains and avoiding losses, as well as enable the Company to capture a greater number of investment opportunities. The realised gains from disposal of available-for-sale investments of the Group were approximately HK$141.4 million (2014: HK$28.6 million) and the unrealised fair value gains from investments were approximately HK$1,914.6 million (2014: HK$Nil). In addition, the Group recorded gross proceeds from sales of investments held for trading of approximately HK$208.7 million for the Year Under Review (2014: HK$Nil).

Trading of Futures

Given the investment opportunities in the futures in the global market, the Group has begun to engage in the trading of futures, another new business segment of the Group. During the Year Under Review, the Group recorded gross profit of approximately HK$18.1 million from the trading of futures (2014: HK$Nil)

Management Discussion and Analysis

Trading of Commodities Business

During the Year Under Review, the trading of commodities business of the Group recorded gross revenue of approximately HK$51.4 million (2014: HK$105.2 million) and net profit of approximately HK$0.5 million (2014: HK$1.2 million). Due to the increasing credit risk and low profit of commodities trading, the Company will consider to deploy resources from the commodities trading business to other businesses, in order to obtain higher returns.

Warehousing and Logistics Business

During the Year Under Review, the Group acquired the entire equity interest in Xinjiang Xinpin Logistics Co., Ltd.（新疆新品物流有限公司）("Xinpin Logistics") at a consideration of HK$150,000,000. Such acquisition had been completed on 31 March 2015. Xinpin Logistics owns a piece of land located at Ganquanbao Industrial Park, Urumqi, Xinjiang（新疆烏魯木齊市甘泉堡工業園區）with site area of approximately 151,100 sq.m., which is designated for logistics and warehousing purposes.

Ganquanbao Industrial Park is located in the northern part of Urumqi, about 55 km from the city centre and in proximity to Wujiaqu City（五家渠市）and Fukang City（阜康市）in Xinjiang. Gangquanpu Industrial Park is less than 30 km away from the international airport and is easily accessible with established railway and highway networks nearby.

The Group will develop its warehousing and logistics business in Xinjiang through such acquisition. The Group plans to invest and construct a logistics base with a total area of approximately 82,600 sq.m., comprising composite warehouses, composite service buildings and open storage and yard.

No revenue was recorded from the warehousing and logistics business of the Group as such acquisition was recently completed on 31 March 2015.

Natural Gas Business

During the Year Under Review, having considered the uncertain natural gas policy and fluctuating resource markets of Xinjiang Uygur Autonomous Region, as well as the corresponding increase in investment risk, the Company adopted a very cautious approach in planning the investment and construction of a LNG production and processing factory with an annual production capacity of 400,000 tons and the investment and development in constructing 8 gas stations in Xinjiang Uygur Autonomous Region. Therefore, the Company decided to temporarily suspend the construction of the aforementioned projects. No revenue was recorded as the Company had not started to invest in capital construction and had ceased operation in the natural gas business.

Management Discussion and Analysis

FINANCIAL REVIEW

Other Gains and Losses

For the Year Under Review, the Group recorded a total net profit from continuing operations of approximately HK$1,918.0 million (2014: a loss of HK$59.7 million). The profit was mainly attributable to (i) fair value gain on investment held for trading; (ii) gain on disposal of available-for-sale investments; and (iii) partial offset by initial loss arising from derivative financial instruments and fair value loss on derivative financial instruments.

Administrative Expenses

For the Year Under Review, administrative expenses from continuing operations were approximately HK$75.4 million (2014: HK$78.5 million), representing a decrease of approximately HK$3.1 million or 3.9% as compared with last year. Such decrease was mainly due to better control on overhead expenditure.

Finance Costs

For the Year Under Review, finance costs from continuing operations were approximately HK$66.4 million (2014: HK$14.2 million), representing a substantial increase of approximately HK$52.2 million or 367.6 % as compared with last year. The increase was mainly due to (i) the increase in interest expenses incurred on borrowings for the Group's money lending business; and (ii) the increase in issuance cost of corporate bonds and notes.

Taxation

For the Year Under Review, the Group's income tax expense from continuing operations was approximately HK$323.8 million (2014: HK$0.3 million) representing a substantial increase of approximately HK$323.5 million as compared with last year. The increase was mainly due to (i) deferred tax liability recognised on fair value change of investments held for trading; (ii) current year tax provision; and (iii) underprovision of Hong Kong tax in previous years.

Profit Attributable to Shareholders

For the Year Under Review, the Group recorded a profit from continuing operations of approximately HK$1,522.6 million (2014: a loss of HK$106.8 million). In addition, there was no profit from discontinued operations for the Year Under Review (2014: a profit from discontinued operations of approximately HK$94.4 million.)

Management Discussion and Analysis

The total profit from continuing operations and discontinued operations attributable to the shareholders for the Year Under Review was approximately HK$1,522.5 million (2014: a loss of HK$12.4 million), which represents a substantial improvement arising from (i) contribution from the money lending business of the Group; (ii) gross profit from trading of futures; (iii) fair value gain on investments held for trading; and (iv) gain on disposal of available-for-sale investments.

The basic and diluted earnings per share from continuing and discontinued operations was approximately HK68.63 cents (2014: a loss of HK0.77 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 2015, the Group had cash and cash equivalents of approximately HK$203.6 million (2014: HK$416.3 million) and pledged bank deposits of approximately of HK$45.3 million (2014: HK$44.6 million) respectively. As at 31 March 2015, the Group's working capital increased to approximately HK$2,904.7 million (2014: HK$725.2 million). Such increase was mainly resulted from the increase in fair value gain on investments held for trading.

As at 31 March 2015, the Group had outstanding borrowings of approximately HK$717.4 million (31 March 2014: HK$224.0 million). On 26 September 2014, the Group reviewed 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 a further term of 12 months, subject to the next 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 certain of securities held by the Group with fair market value of approximately HK$1,292.4 million as at 31 March 2015 and a yacht held by other members of the Group. In addition, the Group has obtained a margin loan facility secured by the listed securities held by the Group with fair market value of approximately of HK$2,387.4 million from a security company to finance the trading of investment of securities during the Year Under Review (31 March 2014: Nil).

Save as disclosed above, there were no other assets pledged as at 31 March 2015.

Gearing ratio (a ratio of total borrowings to total assets) as at 31 March 2015 was approximately 11.6% (2014: 7.9%), such increase was mainly due to the increase in borrowings.

Management Discussion and Analysis

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2015, there was no capital commitment (2014: HK$150.0 million) in respect of addition of property, plant and equipment contracted for but not provided in the consolidated financial statements. In addition, there was approximately HK$237.1 million capital commitments (2014: HK$ Nil) in respect of addition of property, plant and equipment authorized but not contracted for.

The Group had no material contingent liabilities as at 31 March 2015.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's sales are denominated mainly in Hong Kong dollars ("HKD"), United States dollars ("USD"), and Renminbi ("RMB"). The Group's purchases and expenses are mostly denominated in HKD and RMB, and some in 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 2015, the Group had a total of approximately 64 employees (2014: 70 employees) in the PRC and 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 share option scheme of the Group is set out in the note 40 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 (the "CIETAC") for the outstanding amount of RMB80,000,000 payable by Shuangxin under the Menggang 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-fulfillment 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. An arbitration award was delivered in favour of the Group on 27 June 2014 and Shuangxin filed an application to the Beijing Second Intermediate People's Court to set aside the arbitration award. Beijing Second Intermediate People's Court issued a civil ruling on 18 December 2014 dismissing Shuangxin's application for the revocation of the arbitration ruling. On 6 February 2015, the Group applied for the mandatory enforcement at the Ordos City Intermediate People's Court, and the Ordos City Intermediate People's Court has formally accepted the application on 14 May 2015. At present, the case is under execution procedures. As for the final instalment in the amount of RMB40,500,000 payable by Shuangxin, which is in addition to the aforementioned RMB80,000,000, under the Menggang Agreement (as supplemented by a supplemental agreement dated 19 November 2012), the Group filed an arbitration claim to the CIETAC in January 2014 and the hearing will commence on 3 August 2015. The Board will provide updates on the position of the Group as and when appropriate.

On 21 August 2014, Shuangxin filed a legal action at the Inner-Mongolia Autonomous Regional High People's Court seeking damages against the Group for an aggregate amount of RMB102,978,100. On 8 May 2015, the Group submitted an application of objection to the jurisdiction at the Inner-Mongolia Autonomous Regional High People's Court. At present, Inner-Mongolia Autonomous Regional High People's Court is in the process of documentary trial in respect of whether this application of objection to the jurisdiction should be approved and the Group is now waiting for the Court's ruling.

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 Under Review.

Management Discussion and Analysis

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code of conduct for Directors' securities transactions. The Company has made specific enquiry to all directors and all directors confirmed that they have fully complied with the Model Code for the Year Under Review.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

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 piece of land of approximately 151,100 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. The acquisition was completed on 31 March 2015.

On 4 July 2014, Hao Tian Management (Hong Kong) Limited ("HTM"), a wholly-owned subsidiary of the Company, and the optionholder (the "Optionholder") entered into a call option deed, pursuant to which HTM has granted a call option (the "Call Option") to the Optionholder at a premium of HK$5 million. The Call Option is exercisable at any time during the period from 4 July 2014 to 3 July 2016 at the discretion of the Optionholder, who may purchase up to 240,000,000 option shares in the share capital of Imperial Pacific International Holdings Limited, which is a listed company on the Stock Exchange, at the exercise price of HK$0.55 per option share.

SUBSEQUENT IMPORTANT EVENTS AFTER THE REVIEW PERIOD

Hao Tian Finance Company Limited, a subsidiary of the Company has entered into a subscription agreement with each of Rui Sheng Global Holdings Limited and Century Golden Resources Investment Co., Ltd, on 9 April 2015 and 28 April 2015 respectively, each of both is an independent third party, to allot 100,000,000 new shares and 200,000,000 new shares of Hao Tian Finance Company Limited (the "Allotments") for a cash consideration of HK$100 million and HK$200 million, respectively. The Allotments has been completed on 13 May 2015 and 15 May 2015, respectively. Upon the completion of the Allotments, the Group's equity interest in Hao Tian Finance Company reduced from 100% to approximately 75.21%.

For details, please refer to the announcements of the Company dated 9 April 2015, 28 April 2015, 13 May 2015 and 15 May 2015.

Management Discussion and Analysis

On 10 April 2015, the Company has entered into a subscription agreement with Asia Link Capital Investment Holdings Limited, the Company's immediate and ultimate holding company. Pursuant to this agreement, the Company will issue 588,858,000 warrants of the Company at issue price of HK$0.001 per warrant at subscription price of HK$0.50 per share. The subscription was duly passed by the independent shareholders at the extraordinary general meeting by way of poll on 26 June 2015.

For details, please refer to the announcements of the Company dated 10 April 2015, 13 April 2015, 19 June 2015 and 26 June 2015 and the circular of the Company dated 31 May 2015.

On 19 May 2015, the Company and CCBI Investments Limited ("CCBI") entered into a non legally-binding preliminary term sheet in respect of certain proposed investments in the Company and Hao Tian Finance Company Limited (the "Preliminary Term Sheet"). The arrangement contemplated under the Preliminary Term Sheet involves, inter alia, (i) loan notes in the aggregate principal amount of US$30,000,000 proposed to be issued by the Company; (ii) unlisted warrants proposed to be issued by Hao Tian Finance Company Limited to subscribe for shares in Hao Tian Finance Company Limited up to the value of US$15,000,000; and (iii) call option to acquire the shares in Heritage International Holdings Limited, which is a listed company on the Stock Exchange, currently held by the Group, up to the value of US$15,000,000. Further announcement will be made by the Company in the event where negotiation on the detailed terms of the proposed investment is completed.

For details, please refer to the announcement of the Company dated 19 May 2015.

Save as disclosed above, the Group has no other significant investments, material acquisitions and/or disposals after the review period.

BUSINESS PROSPECT

As an international financial centre located in Asia, Hong Kong has advantages in terms of financial markets and systems, and following gradual implementation of the favorable financial policies in Hong Kong, such as the Shanghai-Hong Kong Stock Connect, mutual recognition of funds and the Shenzhen-Hong Kong Stock Connect, which will create opportunities for the financial sector in Hong Kong, and thereby bring a positive effect to the economic development of Hong Kong. Therefore, the Group is optimistic about the Hong Kong securities market, and will also continue to develop its securities investment business in a more aggressive manner and will seize the rising growth opportunities by acquisition of securities company should such opportunities arise, and to identify suitable Hong Kong securities companies to develop securities trading and securities financing businesses. In light of the stable money lending market and property mortgage market in Hong Kong, the Group plans to gradually expand the customer base of its existing money lending business in order to enlarge the operating scale of the business.

Management Discussion and Analysis

Meanwhile, the Group also plans to develop non-bank financial service business in the financial markets of Mainland China, and will actively search for opportunities to develop P2P, financial credit guarantee and financial advisory businesses, and to establish financial internet platform to complement relevant financial service businesses.

Furthermore, "One Belt and One Road" is an abbreviation of "Silk Road Economic Belt" and "21st-Century Maritime Silk Road". The development strategy of "One Belt and One Road" is to facilitate policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bond within countries along the Belt and Road, in which Xinjiang is the core area under the strategic development of "One Belt and One Road". The unimpeded trade mentioned in the development strategy will create development opportunities for trading in Xinjiang and also provide confidence for the Group in engaging logistics and warehousing business in Xinjiang.

CORPORATE GOVERNANCE

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

The Board is of the opinion that the Company has complied with the code provisions as set out in the CG Code, which were in force at the material time for the financial year ended 31 March 2015, 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 the operations of the Company may be in a better position 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 2015 (2014: 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 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principal engaged in money lending business, trading of securities Investment, trading of futures 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 2015.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015 on pages 38 and 39 of this annual report. No final dividend was recommended by the Directors for the year ended 31 March 2015 (2014: Nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2015, the Company's reserves available for distribution amounted to approximately HK$3,368,961,000. The distributable reserves include the Company's share premium reserve of approximately HK$3,302,172,000, 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 42 and 43 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 2015.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 34 to the consolidated financial statements for the year ended 31 March 2015.

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 2015 is set out on page 142 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 2015.

DIRECTORS

The Directors during the year ended 31 March 2015 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

Independent Non-Executive Directors

Mr. Chan Ming Sun, Jonathan
Mr. Lam Kwan Sing
Mr. Lee Chi Hwa, Joshua (appointed on 30 September 2014)

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.

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 2015, 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	1,689,248,318 (Note 2)	–	1,699,319,078	57.72%
	Beneficial owner	Personal interest		10,070,760 (Note 3)		
Fok Chi Tak	Beneficial owner	Personal interest		1,514,400 (Note 3)	1,514,400	0.05%

Notes:

1. The percentage of shareholding is calculated on the basis of 2,944,303,100 shares in issue as at 31 March 2015.

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 1,689,248,318 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 2015, 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 40 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 2015, 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)
Asia Link Capital Investment Holdings Limited	1,577,898,021 111,350,297 (Note 2)	– –	Beneficial owner Interest held by controlled corporations	1,689,248,318	57.37%

Notes:

1. The percentage of shareholding is calculated on the basis of 2,944,303,100 shares in issue as at 31 March 2015.

2. 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 Asia Link Capital Investment Holdings Limited.

Other than as disclosed above, as at 31 March 2015, 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 2015, 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. Lam Kwan Sing	Member of the Audit Committee Member of the Nomination Committee Member of the Remuneration Committee
Mr. Lee Chi Hwa, Joshua	Member of the Audit 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.

Corporate Governance Report

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 2015, 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 2015, 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 2015, 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 2015 are set out as follows:

	Attendance/Number of meetings					
	Board	Executive Committee	Audit Committee	Nomination Committee	Remuneration Committee	General meeting
Total number of meetings	44	22	2	2	3	5
Executive Directors:						
Mr. Xu Hai Ying	41/44	20/22	N/A	N/A	N/A	5/5
Dr. Ou Zhiliang	40/44	22/22	N/A	2/2	3/3	5/5
Mr. Fok Chi Tak	44/44	21/22	N/A	N/A	N/A	5/5
Independent Non-executive Directors:						
Mr. Chan Ming Sun Jonathan	43/44	N/A	2/2	2/2	3/3	5/5
Mr. Ma Lin(1)	16/21	N/A	1/1	N/A	N/A	2/3
Mr. Lam Kwan Sing	34/44	N/A	2/2	2/2	2/3	5/5
Mr. Lee Chi Hwa, Joshua(2)	23/23	N/A	1/1	N/A	N/A	2/2

Note:

(1) Mr. Ma Lin resigned as an Independent Non-executive Director and ceased to be a member of the Audit Committee with effect from 30 September 2014.

(2) Mr. Lee Chi Hwa, Joshua was appointed as an Independent Non-executive Director and became a member of the Audit Committee with effect from 30 September 2014.

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 26 September 2014 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 2015. A summary of the work performed by the Audit Committee during the year ended 31 March 2015 included:–

(a) reviewing the audited accounts and final results announcement for the year ended 31 March 2015 and the interim report and the interim results announcement for the six months ended 30 September 2014;

(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 2015 and the unaudited interim results for the six months ended 30 September 2014.

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 2015. A summary of the work performed by the Nomination Committee during the year ended 31 March 2015 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 2015. 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 2015, the Group paid Deloitte Touche Tohmatsu, the external auditor of the Group, HK$1,200,000 and HK$1,280,000 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 2015 is set out in the Independent Auditor's Report on pages 36 to 37 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.

Corporate Governance Report

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

Mr. Yick Ting Fai Jeffrey, 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 Mr. Yick 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 2014, Mr. Yick 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 Mr. Yick Ting Fai Jeffrey, Company Secretary:

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

By email
jeffrey.yick@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 an extraordinary general meeting held on 30 July 2014, extraordinary resolution relating to (i) approve the Underwriting Agreement and the issue of Offer Shares and Bonus Shares; (ii) approve the absence of excess application arrangement for the Offer Shares; (iii) approve the Whitewash Waiver; (iv) approve the Specific Mandate; and (v) special resolution to approve the proposed amendments to articles were duly passed by shareholders by way of poll.

The major proposed amendments to the existing articles of association is to delete the existing article 147 in its entirety and substituted therefor with in the updated consolidated 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

(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 38 to 141, which comprise the consolidated statement of financial position as at 31 March 2015, 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 financial position of the Group as at 31 March 2015, and of its financial performance 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
26 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000
Continuing operations			
Revenue	7	**60,899**	40,323
Gross proceeds from sale of investments held for trading		**208,660**	–
Total		**269,559**	40,323
Revenue	7	**60,899**	40,323
Other income	9	**9,079**	5,523
Other gains and losses	10	**1,918,000**	(59,733)
Administrative expenses		**(75,433)**	(78,486)
Finance costs	11	**(66,354)**	(14,236)
Profit (loss) before taxation		**1,846,191**	(106,609)
Taxation	12	**(323,813)**	(256)
Profit (loss) for the year from continuing operations	13	**1,522,378**	(106,865)
Discontinued operations			
Profit for the year from discontinued operations	29	**–**	94,406
Profit (loss) for the year		**1,522,378**	(12,459)
Other comprehensive (expense) income:			
Items that will not be reclassified subsequently to profit or loss:			
Reclassification adjustments relating to foreign operations disposed		**(14)**	(87,686)
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments:			
– fair value changes		**499,254**	193,626
– impairment loss recognised		**–**	24,613
– reclassified to profit or loss upon disposal		**(141,405)**	(29,061)
– reclassification adjustments relating to foreign operations disposed		**–**	(2,126)
Exchange difference arising on translation of foreign operations		**(165)**	12,591
Other comprehensive income for the year, net of tax		**357,670**	111,957
Total comprehensive income for the year		**1,880,048**	99,498

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	NOTE	**2015 HK$'000**	2014 HK$'000
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		**1,522,565**	(106,821)
– from discontinued operations		**–**	94,406
Profit (loss) for the year attributable to owners of the Company		**1,522,565**	(12,415)
Loss for the year from continuing operations attributable to non-controlling interests		**(187)**	(44)
		1,522,378	(12,459)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**1,880,235**	99,542
Non-controlling interests		**(187)**	(44)
		1,880,048	99,498
			(Restated)
Earnings (loss) per share	17		
From continuing and discontinued operations			
– Basic and diluted (HK cents)		**68.63**	(0.77)
From continuing operations			
– Basic and diluted (HK cents)		**68.63**	(6.61)

Consolidated Statement of Financial Position

At 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	18	**82,935**	73,410
Prepaid lease payment	19	**17,761**	–
Premium over prepaid lease payment	20	**133,261**	–
Available-for-sale investments	21	**1,288,455**	1,056,319
Financial assets designated at fair value through profit or loss	22	**–**	4,745
Derivative financial instruments	22	**585,324**	550,573
Loan receivables	26	**56,365**	6,572
Deposits	23	**1,017**	151,011
		2,165,118	1,842,630
Current assets			
Inventories	24	**1,239**	2,776
Trade and bills receivables	25	**30,967**	80,473
Other receivables, deposits and prepayments	25	**250,081**	9,332
Loan receivables	26	**387,650**	267,035
Consideration receivables	28	**152,230**	166,946
Investments held for trading	27	**2,956,687**	–
Prepaid lease payment	19	**370**	–
Pledged bank deposits	25	**45,276**	44,613
Bank balances and cash	25	**203,575**	416,322
		4,028,075	987,497
Current liabilities			
Bills payables	30	**–**	24,748
Other payables, deposits received and accruals	30	**11,478**	8,866
Borrowings	32	**572,801**	210,000
Derivative financial instruments	22	**202,601**	–
Tax payables		**21,298**	18,656
Deferred tax liability	31	**315,155**	–
		1,123,333	262,270
Net current assets		**2,904,742**	725,227
Total assets less current liabilities		**5,069,860**	2,567,857

Consolidated Statement of Financial Position

At 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Borrowings	32	**144,550**	14,000
Net assets		**4,925,310**	2,553,857
Capital and reserves			
Share capital	34	**29,443**	198,602
Reserves	35	**4,895,867**	2,350,301
Equity attributable to owners of the Company		**4,925,310**	2,548,903
Non-controlling interests		**–**	4,954
Total equity		**4,925,310**	2,553,857

The consolidated financial statements on pages 38 to 141 were approved and authorised for issue by the Board of Directors on 26 June 2015 and are signed on its behalf by:

Fok Chi Tak	**Xu Hai Ying**
DIRECTOR	*DIRECTOR*

Consolidated Statement of Changes In Equity

For the year ended 31 March 2015

	Share capital HK$'000	Share premium HK$'000	Warrant reserve HK$'000	Statutory surplus reserve HK$'000 (note a)	Safety and maintenance reserve HK$'000	Share option reserve HK$'000	Asset revaluation reserve HK$'000	Special reserve HK$'000 (note b)	Translation reserve HK$'000	Accumulated (losses) profits HK$'000	Total equity attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 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
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	1,522,565	1,522,565	(187)	1,522,378
Other comprehensive income (expense)	–	–	–	–	–	–	357,849	–	(179)	–	357,670	–	357,670
Total comprehensive income (expense) for the year	–	–	–	–	–	–	357,849	–	(179)	1,522,565	1,880,235	(187)	1,880,048
Capital reorganisation (note 34)	(194,630)	–	–	–	–	–	–	–	–	194,630	–	–	–
Issue of new shares upon exercise of warrants	5,611	122,191	(7,169)	–	–	–	–	–	–	–	120,633	–	120,633
Share options lapsed	–	–	–	–	–	(35,037)	–	–	–	35,037	–	–	–
Issue of new shares upon placing, open offer and bonus issue (note 34)	19,860	369,398	–	–	–	–	–	–	–	–	389,258	–	389,258
Transaction costs attributable to issue of new shares upon placing, open offer and bonus issue	–	(13,726)	–	–	–	–	–	–	–	–	(13,726)	–	(13,726)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(4,767)	(4,767)
Recognition of equity-settled share-based payments	–	–	–	–	–	7	–	–	–	–	7	–	7
At 31 March 2015	29,443	3,302,172	–	3,539	–	7,178	561,598	(5,754)	1,635	1,025,499	4,925,310	–	4,925,310

Consolidated Statement of Changes In Equity

For the year ended 31 March 2015

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 2015 and 2014, 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.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit (loss) for the year	**1,522,378**	(12,459)
Adjustments for:		
Income tax	**323,813**	7,978
Interest income	**(1,563)**	(2,806)
Finance costs	**66,354**	7,349
Depreciation of property, plant and equipment	**5,487**	6,663
Dividend income from available-for-sale investments	**(297)**	(297)
Impairment loss on available-for-sale investments	**–**	54,613
Share of results of associates	**–**	(8)
Share-based payments	**7**	2,462
Loss (gain) on disposal of property, plant and equipment	**5**	(199)
Gain on disposal of available-for-sale investments	**(141,405)**	(28,563)
Initial loss arising from derivative financial instruments	**68,763**	–
Fair value loss on derivative financial instruments	**94,087**	49,534
Fair value gain on secured notes	**–**	(4,010)
Fair value gain on financial assets designated at fair value through profit or loss	**(4,756)**	(10,189)
Gain on disposal of loan and interest receivable	**(3,689)**	–
Fair value gain in investments held for trading	**(1,914,605)**	–
Gain on disposal of subsidiaries	**(29)**	(88,416)
Operating cash flows before movements in working capital	**14,550**	(18,348)
Decrease (increase) in inventories	**1,537**	(11,220)
Decrease (increase) in trade and bills receivables	**49,557**	(45,565)
Increase in other receivables, deposits and prepayments	**(254,377)**	(3,214)
Increase in loan receivables	**(200,980)**	(133,035)
(Increase) decrease in investments held for trading	**(1,042,082)**	138
(Decrease) increase in trade and bills payables	**(24,748)**	22,667
Decrease in other payables, deposits received and accruals	**(346)**	(1,266)
Net cash used in operations	**(1,456,889)**	(189,843)
Finance costs paid for money lending business	**(17,985)**	(4,773)
Finance costs paid for securities investment business	**(9,378)**	–
Income tax paid	**(6,098)**	(3,913)
NET CASH USED IN OPERATING ACTIVITIES	**(1,490,350)**	(198,529)

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(15,468)**	(5,233)
Proceeds from disposal of property, plant and equipment		**1,651**	483
Placement in pledged bank deposits		**(663)**	(44,613)
Proceeds from disposal of a financial asset designated at fair value through profit or loss		**9,500**	27,000
Proceeds from disposal of loan and interest receivables		**36,500**	–
Purchases of available-for-sale investments		**(42,935)**	(688,439)
Dividend income received from available-for-sale investments		**297**	297
Purchase of assets through acquisition of subsidiaries	37	**43**	–
Net cash from disposal of subsidiaries	36	**5,854**	757,698
Proceeds from disposal of available-for-sale investments		**310,053**	179,883
Collection of consideration receivable from disposal of available-for-sale investment		**10,000**	–
Collection of consideration receivable from disposal of subsidiaries		**6,500**	–
Proceeds from issue of derivative financial instruments		**5,000**	–
Interest received		**1,563**	1,085
NET CASH FROM INVESTING ACTIVITIES		**327,895**	228,161
FINANCING ACTIVITIES			
Interest paid		**(7,865)**	(2,576)
Proceeds from issue of secured notes		**–**	170,210
Interest paid for secured notes		**–**	(6,252)
Repayment of secured notes		**–**	(293,715)
Borrowings raised		**537,801**	542,692
Repayment of borrowings		**(179,000)**	(318,692)
Proceeds from issue of bonds		**130,550**	–
Issuance cost of bonds		**(26,770)**	–
Net proceeds from issue of new shares		**375,532**	–
Net proceeds from issue of new shares upon exercise of warrants		**120,633**	6,744
NET CASH FROM FINANCING ACTIVITIES		**950,881**	98,411

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(211,574)**	128,043
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**416,322**	287,262
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(1,173)**	1,017
CASH AND CASH EQUIVALENTS AT END OF THE YEAR REPRESENTED BY BANK BALANCES AND CASH	**203,575**	416,322

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. GENERAL

Hao Tian Development Group Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is Asia Link Capital Investment Holding Limited, which is incorporated in the British Virgin Islands ("BVI"), and the ultimate controlling shareholder is Ms. Li Shao Yu, chief executive of the Company. 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.

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 43.

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")

In the current year, the Group has applied the following amendments to the HKFRSs and new interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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

The application of the amendments to the HKFRSs and new interpretation 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.

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

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[3]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

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. Another revised version of HKFRS 9 was issued in September 2014 mainly to include a) impairment requirements for financial assets; b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

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

HKFRS 9 Financial instruments (continued)

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.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets (e.g. the Group's unlisted shares in overseas that are currently classified as available-for-sale investments will 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 or other comprehensive income, as appropriate). Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of the effects of adoption until a detailed review has been completed.

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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

HKFRS 15 Revenue from contracts with customers (continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 and by the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for part 9 of the Hong Kong Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on fair value of the consideration given in exchange for goods.

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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. 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 2015

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;
- has exposure, or 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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 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).

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 and returns.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from sale of goods is recognised when the goods are delivered and title has passed at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

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) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than freehold land, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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

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.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on tangible and intangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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.

Retirement benefit costs

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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 are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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.

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, 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 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).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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
- breach of contract, such as 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 and bills receivables and loan receivable, 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 90 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, including those available-for-sale equity investments, 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.

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 and bills 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 debtor 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.

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.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Other financial liabilities

Other financial liabilities including bills 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) profit.

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 separated from the relevant host contracts (the liability component) and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through 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 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition *(continued)*

Financial liabilities are derecognised when the obligations specified in the relevant contract is 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 as employees

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) profits.

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).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies that have the most significant effect of the amounts recognised in the consolidated financial statements.

Classification of investments in Heritage International Holdings Limited ("Heritage")

As at 31 March 2015, the Group owned 28.87% equity interest in Heritage with carrying amount of HK$2,885,985,000, of which HK$266,385,000 (2014: HK$41,388,000) related to 2.67% equity interest of Heritage which was acquired in the year ended 31 March 2014 and classified as available-for-sale investments and HK$2,619,600,000 related to 26.20% equity interest of Heritage which was acquired during the year and classified as investments held for trading. Heritage is a company which shares are listed on the Stock Exchange.

The directors assessed whether or not the Group has significant influence over Heritage based on whether the Group has the power to participate in the financial and operating policy decision of Heritage but is not control or joint control over those policies. In making their judgement, the directors have taken into consideration the arrangement whereby the Group has irrevocably undertaken to Heritage that the Group shall not participate or otherwise exercise any influence over the management or the operating and financial policy decisions of Heritage and shall not nominate any directors to or remove any directors from the board of directors of Heritage. On this basis, the directors considered that the Group has given up the right to exercise significant influence over the relevant activities which the Group would otherwise have held by reason of its holding of 28.87% equity interest in Heritage. On this basis, the directors concluded that the Group has no significant influence over Heritage.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying accounting policies (continued)

Classification of investments in Heritage International Holdings Limited ("Heritage") *(continued)*

Accordingly, the investment in Heritage continues to be classified as available-for-sale investment in respect of those shares acquired during the year ended 31 March 2014. In respect of those shares acquired during the current year, these shares were acquired under the mandate for trading of securities which was given when the Board of Directors resolved for the Group to engage in trading of listed securities and futures (see note 8). Accordingly these securities are classified as investment held for trading.

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.

Estimated impairment loss of intangible assets

During the year ended 31 March 2015, the Group purchased premium over prepaid lease payment through acquisition of subsidiaries, which is accounted for as intangible asset (details are set out in note 20).

At the end of the reporting period, the Group reviews the carrying amount of the premium over prepaid lease payment to determine whether there is any indication that it has suffered an impairment loss. If any such indication exists, the recoverable amount of the premium over prepaid lease payment is estimated in order to determine the extent of the impairment loss, if any.

Determining whether premium over prepaid lease payment is impaired requires an estimation of the recoverable amount of the cash-generating unit ("CGU") to which premium over prepaid lease payment has been allocated. Recoverable amount of the CGU is determined based on value in use calculation. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to service fee and rental income and direct costs. Where the actual cash flows are less than expected, a material impairment loss may arise. As at 31 March 2015, the carrying amount of premium over prepaid lease payment was HK$133,261,000.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recoverability of consideration receivables

During the year ended 31 March 2013, the Group disposed of its Inner-Mongolia Mining Operation (as defined in note 28(i)). Due to disputes, the counterparty refused to settle certain amount of the consideration. As at 31 March 2015 and 2014, included in the consideration receivables, HK$152,230,000 (2014: HK$151,244,000) represented unsettled portion of the consideration. Since 16 May 2013, the Group and the counterparty had filed several arbitrations and litigations to relevant authorities in the PRC.

The final outcome of these relevant arbitrations and the litigations are 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 arbitrations and litigations. As the risk of not recovering the consideration receivable is minimal, therefore no impairment loss was made as at 31 March 2015 and 2014.

However, if the final results of the arbitrations and litigations are not favourable to the Group, the Group is required to pay the counterparty HK$130.5 million as excess portion of the compensation claim demanded by the counterparty and the unsettled consideration receivable of approximately HK$152.2 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 arbitrations and the litigations are set out in note 28(i).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recoverability of loan receivables

As at 31 March 2015, the carrying amount of total outstanding loan receivables in respect to the money lending business was HK$444,015,000 (2014: 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 2015, the fair value of the Group's derivative financial instruments (2014: financial assets designated at FVTPL and derivative financial instruments) 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 note 22 for details). As at 31 March 2015, the Group's derivative financial instruments includes derivative financial assets and derivative financial liabilities with fair value of HK$585,324,000 and HK$202,601,000 respectively (2014: financial assets designated at FVTPL of HK$4,745,000 and derivative financial assets of HK$550,573,000).

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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND 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. Note 22 provides 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 2015 and 31 March 2014, the capital structure of the Group consists of debt, which include borrowings and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated profit.

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 2015

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 HK$'000	2014 HK$'000
Financial assets		
Financial assets at FVTPL		
– Held for trading	**2,956,687**	–
– Designated as FVTPL	**–**	4,745
Derivative financial instruments	**585,324**	550,573
Loans and receivables (including cash and cash equivalents)	**1,125,188**	1,137,774
Available-for-sale investments	**1,288,455**	1,056,319
	5,955,654	2,749,411
Financial liabilities		
Financial liabilities at FVTPL		
– Derivative financial instruments	**202,601**	–
Amortised cost	**728,829**	257,614
	931,430	257,614

(b) Financial risk management objectives and policies

As at 31 March 2015, the Group's financial instruments include deposits, pledged bank deposits, trade and bills receivables, other receivables, loan receivables, consideration receivables, investments held for trading, derivative financial instruments, available-for-sale investments, bank balances and cash, other payables and accruals and borrowings (2014: deposits, pledged bank deposits, trade and bills receivables, other receivables, loan receivables, consideration receivables, available-for-sale investments, financial assets at FVTPL, bank balances and cash, bills payables, other payables and accruals, borrowings and derivative financial instruments). 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.

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**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("US$")	**16,896**	87,511	**–**	23,879
Renminbi ("RMB")	**158,593**	151,346	**–**	–

In addition, as at 31 March 2015, the directors considered that the Group's exposure to foreign currency risk arose from intra-group balances due to foreign operation of HK$102,092,000 (2014: HK$34,928,000), 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$, US$ and RMB against the functional currency of respective group entities, which is mainly HK$ 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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 an increase in post-tax profit (2014: 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.

	2015	2014
	HK$'000	HK$'000
Increase in profit/decrease in loss for the year	**1,372**	1,981

Interest rate risk management

As at 31 March 2015, the Group is exposed to cash flow interest rate risk in relation to pledged bank deposits, bank balances and variable rate borrowings (2014: pledged bank deposits, bank balances and variable rate borrowings) carrying prevailing market interest rate.

As at 31 March 2015, the Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings and loan receivables (2014: fixed-rate borrowings and loan receivables).

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.

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 (2014: 50 basis point) increase or decrease is used on variable rate borrowings after considering the impact of volatile financial market conditions. The directors used 10 basis points (2014: 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 (2014: 50 basis points) higher/lower for variable-rate borrowings and 10 basis points (2014: 10 basis points) higher/lower for pledged bank deposits and balances and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2015 would decrease/increase by HK$1,342,000 (2014: the Group's post-tax loss would increase/decrease by HK$509,000).

Price risk management

The management would manage its exposure arising from these investments by closely monitoring the performance of respective listed equity security and derivatives 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 listed available-for-sale investments and investments held for trading. 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% (2014: 10%) higher, assuming all other variables were held constant, the impact to the Group would be:

	2015	2014
	HK$'000	HK$'000
Increase in profit for the year	**246,884**	–
Increase in other comprehensive income for the year	**92,522**	69,308

If the prices of respective available-for-sale investments and held for trading investments had been 10% (2014: 10%) lower, assuming all other variables were held constant, the impact to the Group would be:

	2015	2014
	HK$'000	HK$'000
Decrease in profit/increase in loss for the year	**246,884**	2,373
Decrease in other comprehensive income for the year	**92,522**	66,935

10% (2014: 10%) change in price represents the directors' assessment of the reasonably possible change in price.

As at 31 March 2015, the Group was exposed to concentration risk on the listed available-for-sale investments and investments held for trading (2014: listed available-for-sale investments) as they comprise equity shares issued by several companies listed in Hong Kong.

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 2015, the Group was exposed to price risk through its derivative financial instruments (2014: financial assets designated at FVTPL and derivative financial instruments).

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:

	2015 **HK$'000**	2014 HK$'000
Increase in post-tax profit/decrease in post-tax loss for the year	**31,957**	46,369
Decrease in post-tax profit/increase in post-tax loss for the year	**(31,957)**	(46,369)

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 derivative financial instruments (2014: financial assets designated at FVTPL and derivative financial instruments) involves multiple variables and certain variables are interdependent.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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 2015 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 2015, the Group has concentration of credit risk in respect of derivative financial instruments, loan receivables, consideration receivables and trade and bills receivables (2014: financial assets designated as FVTPL, derivative financial instruments, loan receivables, consideration receivables and trade and bills receivables). As at 31 March 2015, the Group's derivative financial instruments were due from from one (2014: one) counterparty (see note 22); the Group's loan receivables were due from forty-five (2014: nine) counterparties (see note 26); and the Group's consideration receivables were due from one (2014: three) counterparties (see note 28). As at 31 March 2015, two customers for the Group's trading of commodities represented the entire Group's bills receivables (2014: five customers for the Group's trading of commodities comprised over 93% of the Group's 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). 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 2015, the Group had outstanding consideration receivables of HK$152,230,000 (2014: HK$166,946,000) due from one (2014: three) counterparty buyer in respect to the disposal of subsidiaries (2014: 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$152,230,000 (2014: HK$151,244,000) which had been due as at 31 March 2015. 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 28.

6. FINANCIAL INSTRUMENTS (continued)

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

Credit risk *(continued)*

As at 31 March 2015, loan receivables of HK$27,245,000 (2014: nil) were past due. The Group is exposed to credit risk in the event of the loan borrowers fails to perform its obligation to repay the amount in full. The management of the Group takes active negotiation and follow-up action to recover the loan receivables in order to minimise the credit risk. In the opinion of the directors of the Company, the risk of non-recoverability of the amount is minimal, as the loan receivables was secured by sufficient collateral which could recover the amount of the loan receivables in case the loan borrowers fails to perform its obligation.

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 borrowings and ensures compliance with loan covenants.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

6. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk *(continued)*

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. Subsequently, 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	Between 4 to 12 months	Over 1 year	Total undiscounted cash flows	Carrying amount at 31 March
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2015						
Other payables and accruals	**-**	**11,478**	**-**	**-**	**11,478**	**11,478**
Borrowings	**6.30**	**584,483**	**4,243**	**195,261**	**783,987**	**717,351**
Derivative financial instruments	**-**	**-**	**-**	**202,601**	**202,601**	**202,601**
		595,961	**4,243**	**397,862**	**998,066**	**931,430**
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

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 2015, the aggregate undiscounted principal amounts of these bank loans amounted to HK$562,801,000 (2014: HK$193,000,000). 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$574,467,000 (2014: HK$193,684,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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 the 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), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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)

Financial assets	Fair value as at 31 March 2015 HK$'000	2014 HK$'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	**925,220**	693,084	Level 1	Quoted prices in an active market	N/A	N/A
Listed equity securities classified as investments held for trading	**2,952,114**	–	Level 1	Quoted prices in an active market	N/A	N/A
Overseas listed derivatives classified as investments held for trading	**4,573**	–	Level 1	Quoted prices in an active market	N/A	N/A
Debt securities classified as financial assets designated at fair value through profit or loss	**-**	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.	The higher the discount rate, the lower the fair value. The higher the volatility, the higher the fair value.
Derivative financial instruments	**585,324**	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 a)	The higher of the volatility, the higher the fair value.

Financial liabilities	Fair value as at 31 March 2015 HK$'000	2014 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Derivative financial instruments	**202,601**	–	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 underlying equity shares. (note b)	The higher of the volatility, the higher the fair value.

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 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 approximately HK$521,000/HK$297,000 (2014: 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.

(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 approximately HK$2,261,000/HK$1,861,000 (2014: N/A). In the opinion of the directors, the sensitivity analysis is unrepresentative of the inherent price risk as the period end exposure does not reflect the exposure during the year.

Of the total gains and losses for the year included in profit or loss, net loss of HK$158,094,000 (2014: 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 gains and losses'.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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)

	31 March 2015			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Available-for-sale investments	**925,220**	**–**	**–**	**925,220**
Investments held for trading	**2,956,687**	**–**	**–**	**2,956,687**
Derivative financial instruments				
– assets	**–**	**–**	**585,324**	**585,324**
– liabilities	**–**	**–**	**(202,601)**	**(202,601)**
	3,881,907	**–**	**382,723**	**4,264,630**

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

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

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)

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

	Financial assets designated at FVTPL HK$'000	**Derivative financial assets** HK$'000	**Derivative financial liabilities** HK$'000
At 1 April 2013	21,556	–	–
Options consideration received (note 22(ii))	–	600,107	–
Total gain or loss recognised in profit or loss			
– Change in fair value	10,189	(49,534)	–
Transferred out of Level 3:			
– Disposal	(27,000)	–	–
At 31 March 2014	4,745	550,573	–
Addition	–	–	(5,000)
Total gain or loss recognised in profit or loss			
– Loss on initial recognition	–	–	(68,763)
– Change in fair value	4,756	34,751	(128,838)
Transferred out of Level 3:			
– Disposal	(9,501)	–	–
At 31 March 2015	–	585,324	(202,601)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

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)

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. 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.

(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.

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:

	2015 **HK$'000**	2014 HK$'000
Interest income generated from money lending	**60,399**	39,144
Service income generated from trading of commodities	**500**	1,179
	60,899	40,323

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 and Hao Tian Oil & Gas Development Group Limited
(c)	Securities investment	–	Hao Tian Management (Hong Kong) Limited
(d)	Trading of futures	–	Hong Kong Energy & Mining Investment Management Limited and Hao Tian Management (Hong Kong) 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.

During the year ended 31 March 2015, the board of directors of the Company has conducted a review of the Group's latest business development and strategy going forward and has resolved to engage in trading of listed securities and futures. Securities investment and trading of futures have been regarded as reportable segments of the Group during the current year.

During the year ended 31 March 2014, 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 ("Xinjiang Coal Mining Operation") were discontinued. The segment information reported below does not include any amounts for the Group's Package Box Operation and Xinjiang Coal Mining Operation, which are described in more detail in note 29.

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 2015

	Money lending HK$'000	Trading of commodities HK$'000	Securities investment HK$'000	Trading of futures HK$'000	Consolidated HK$'000
Gross proceeds from sale of investments held for trading	-	-	208,660	-	208,660
Segment revenue	60,399	51,360	-	-	111,759
Less: Cost of commodities transactions	-	(50,860)	-	-	(50,860)
Revenue as presented in the consolidated statement of profit or loss and other comprehensive income	60,399	500	-	-	60,899
Segment results from continuing operations	58,408	500	1,910,071	18,057	1,987,036
Other income					9,079
Other gains and losses					(11,896)
Central administration costs					(71,674)
Finance costs					(66,354)
Profit before taxation from continuing operations					1,846,191

8. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

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 gains and losses			(59,733)
Central administration costs			(78,486)
Finance costs			(14,236)
Loss before taxation from continuing operations			(106,609)

All of the segment revenue reported for both years 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 gains and losses, 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.

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For the year ended 31 March 2015

8. SEGMENT INFORMATION (continued)

Other segment information

	Money lending HK$'000	Trading of commodities HK$'000	Securities investment HK$'000	Trading of futures HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Continuing operations							
For the year ended 31 March 2015							
Amounts included in the measure of segment profit or loss:							
Depreciation of property, plant and equipment	-	-	-	-	-	5,487	5,487
Loss on disposal of property, plant and equipment	-	-	-	-	-	5	5
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss:							
Finance costs	23,814	199	9,378	-	33,391	32,963	66,354
Taxation charge	8,634	24	315,155	-	323,813	-	323,813

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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 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	7,947	6,289	14,236
Taxation charge	–	–	–	256	256

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For the year ended 31 March 2015

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)	
	2015	2014
	HK$'000	HK$'000
Hong Kong	**77,374**	67,292
The PRC	**156,583**	6,118
	233,957	73,410

Note: Non-current assets excluded available-for-sale investments, financial assets designated at fair value through profit or loss, derivative financial instruments, loan receivables and deposits.

Information about major customers

There were three (2014: three) customers over 10% of total revenue of the Group and are as follows (note):

	2015	2014
	HK$'000	HK$'000
Customer A	**20,857**	15,990
Customer B	**11,661**	7,783
Customer C	**6,248**	5,287
	38,766	29,060

Note: Revenue from money lending business.

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9. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Continuing operations		
Interest earned on bank deposits	**1,239**	1,085
Interest earned on loan receivables (other than money lending business)	**324**	1,113
Sundry income	**7,219**	3,028
Dividend income from available-for-sale investments	**297**	297
	9,079	5,523

10. OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Continuing operations		
Fair value gain on investments held for trading (note)	**1,929,896**	–
Initial loss arising from derivative financial instruments	**(68,763)**	–
Fair value loss on derivative financial instruments	**(94,087)**	(49,534)
Fair value gain on secured notes	**–**	4,010
Fair value gain on financial assets at FVTPL	**4,756**	10,189
Gain on disposal of loan and interest receivable	**3,689**	–
Loss on disposal of property, plant and equipment	**(5)**	(57)
Gain on disposal of available-for-sale investments	**141,405**	28,563
Net foreign exchange gain	**1,080**	1,709
Impairment loss on available-for-sale investments	**–**	(54,613)
Gain on disposal of subsidiaries	**29**	–
	1,918,000	(59,733)

Note: Net realised gain of approximately HK$15,291,000 on disposal of investments held for trading is included in change in fair value of investments held for trading.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

11. FINANCE COSTS

	2015 **HK$'000**	2014 HK$'000
Continuing operations		
Interest expense on borrowings		
– wholly repayable within five years	**33,786**	14,046
– not wholly repayable within five years	**5,798**	190
Issuance cost of corporate bonds and notes	**26,770**	–
	66,354	14,236

Note: During the year ended 31 March 2015, interest expense of HK$33,391,000 (2014: HK$7,947,000) was incurred for borrowings obtained solely for the Group's money lending business, trading of commodities and securities investment (2014: money lending business and trading of commodities), which were wholly repayable within five years.

12. TAXATION

	2015 **HK$'000**	2014 HK$'000
Continuing operations		
Hong Kong:		
Current tax	**5,600**	–
Underprovision in prior years	**3,058**	256
Deferred tax (note 31)	**315,155**	–
Income tax expense relating to continuing operations	**323,813**	256

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. During the year ended 31 March 2014, no provision for Hong Kong Profits Tax has been made since there was no assessable profit for the year.

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.

12. TAXATION (continued)

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

	2015	2014
	HK$'000	HK$'000
Profit (loss) before taxation	**1,846,191**	(106,609)
Tax at Hong Kong Profits Tax rate of 16.5%	**304,622**	(17,590)
Tax effect of expenses not deductible for tax purposes	**33,511**	10,222
Tax effect of income not taxable for tax purposes	**(28,181)**	(2,333)
Underprovision in respect of prior years	**3,058**	256
Tax effect of estimated tax losses not recognised	**10,803**	9,701
Taxation for the year	**323,813**	256

13. PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

	2015	2014
	HK$'000	HK$'000
Continuing operations		
Profit (loss) for the year from continuing operations has been arrived at after charging:		
Auditor's remuneration	**1,200**	1,112
Depreciation of property, plant and equipment	**5,487**	5,526
Operating lease rentals in respect of rented premises	**13,151**	10,199
Staff costs:		
Directors' emoluments	**5,538**	2,885
Chief executive's emoluments	**2,449**	2,818
Other staff costs		
– salaries, bonus and other allowances	**18,899**	21,159
– retirement benefit scheme contributions	**629**	901
– share-based payments	**5**	1,767
	27,520	29,530

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

	2015						2014					
	Fee HK$'000	Salaries and other allowances HK$'000	Discretionary or performance based bonuses HK$'000	Retirement benefit scheme contributions HK$'000	Share-based payments HK$'000	Total HK$'000	Fee HK$'000	Salaries and other allowances HK$'000	Discretionary or performance based bonuses HK$'000 (note b)	Retirement benefit scheme contributions HK$'000	Share-based payments HK$'000	Total HK$'000
Directors												
Ma Lin (note a)	90	-	-	-	-	90	180	–	–	–	–	180
Xu Hai Ying	-	600	-	-	-	600	–	600	–	–	–	600
Chan Ming Sun, Jonathan	180	-	-	-	-	180	180	–	–	–	–	180
Ou Zhiliang	-	650	-	-	-	650	–	760	–	–	–	760
Lam Kwan Sing	180	-	-	-	-	180	180	–	–	–	–	180
Fok Chi Tak (note b)	-	1,729	2,000	17	2	3,748	–	858	2,000	8	119	2,985
Lee Chi Hwa, Joshua (note c)	90	-	-	-	-	90	–	–	–	–	–	–
	540	2,979	2,000	17	2	5,538	540	2,218	2,000	8	119	4,885
Chief executive												
Li Shao Yu (note d)	-	2,431	-	18	-	2,449	–	2,227	–	15	576	2,818
	540	5,410	2,000	35	2	7,987	540	4,445	2,000	23	695	7,703

Notes:

(a) On 30 September 2014, Mr. Ma Lin resigned as a director of the Company.

(b) 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 36 (d).

(c) On 30 September 2014, Mr. Lee Chi Hwa, Joshua was appointed as an independent non-executive director of the Company.

(d) 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, 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.

15. EMPLOYEE'S EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2014: two) 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 (2014: three) individuals were as follows:

	2015 **HK$'000**	2014 HK$'000
Salaries and other allowances	**4,098**	5,693
Discretionary or performance based bonus	**1,537**	500
Retirement benefit scheme contributions	**46**	40
Share-based payments	**–**	606
	5,681	6,839

The emoluments were within the following bands:

	2015 **No. of employees**	2014 No. of employees
HK$1,500,001 to HK$2,000,000	**2**	1
HK$2,000,001 to HK$2,500,000	**1**	2

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.

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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. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2015 **HK$'000**	2014 HK$'000
Profit (loss) attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	**1,522,565**	(12,415)

	2015 **'000**	2014 '000 (restated)
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	**2,218,356**	1,615,483

The weighted average number of ordinary shares for the year ended 31 March 2014 has been adjusted to reflect the impact of the Capital Reorganisation, Open Offer and Bonus Issue (as defined in note 34(a) and (d)).

17. EARNINGS (LOSS) PER SHARE (continued)

From continuing operations

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

	2015	2014
	HK$'000	HK$'000
Profit (loss) for the year attributable to owners of the Company	**1,522,565**	(12,415)
Less: Profit for the year from discontinued operations	**–**	(94,406)
Profit (loss) for the purposes of calculating basic and diluted earnings (loss) per share from continuing operations	**1,522,565**	(106,821)

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

For the year ended 31 March 2015, the computation of diluted earnings per share for continuing operations does not assume the exercise of the Company's outstanding share options because the exercise prices of these share options were higher than the average market price for shares for the year.

For the year ended 31 March 2014, the computation of diluted loss per share for continuing 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.

From discontinued operations

For the year ended 31 March 2014, basic and diluted earnings per share from discontinued operations was HK5.84 cents (restated), based on the profit for the year from discontinued operations of HK$94,406,000 and the denominators detailed above for both basic and diluted earnings (loss) per share from continuing and discontinued operations.

For the year ended 31 March 2014, 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$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Art works HK$'000	Moulds HK$'000	Motor vehicles HK$'000	Yacht HK$'000	Total HK$'000
COST											
At 1 April 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 36)	(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
Exchange adjustments	–	–	–	25	–	3	–	–	14	–	42
Additions	–	–	–	–	–	563	14,758	–	–	147	15,468
Acquisition of subsidiaries (note 37)	–	–	–	–	–	–	–	–	1,166	–	1,166
Disposal	–	–	–	–	–	–	–	–	(1,449)	(323)	(1,772)
At 31 March 2015	**-**	**-**	**-**	**3,977**	**-**	**2,610**	**14,758**	**-**	**12,719**	**64,878**	**98,942**
DEPRECIATION AND IMPAIRMENT											
At 1 April 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 36)	–	(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
Exchange adjustments	–	–	–	5	–	1	–	–	2	–	8
Provided for the year	–	–	–	86	–	494	–	–	1,644	3,263	5,487
Disposal	–	–	–	–	–	–	–	–	(93)	(23)	(116)
At 31 March 2015	**-**	**-**	**-**	**2,948**	**-**	**1,109**	**-**	**-**	**5,455**	**6,495**	**16,007**
CARRYING VALUES											
At 31 March 2015	**-**	**-**	**-**	**1,029**	**-**	**1,501**	**14,758**	**-**	**7,264**	**58,383**	**82,935**
At 31 March 2014	–	–	–	1,095	–	1,430	–	–	9,086	61,799	73,410

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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 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%
Art works	5%
Moulds	20%
Motor vehicles	10% to 25%
Yacht	5%

As at 31 March 2015, the Group has pledged a yacht with a carrying amount of HK$58,383,000 (2014: HK$61,799,000) to secure a bank loan granted to the Group.

19. PREPAID LEASE PAYMENT

The prepaid lease payment comprises:

	2015 **HK$'000**
Leasehold land outside Hong Kong:	
Medium-term lease	**18,131**
Analysed for reporting purposes as:	
Current portion	**370**
Non-current portion	**17,761**
	18,131

The leasehold land is amortised on a straight-line basis over the remaining term of the lease.

20. PREMIUM OVER PREPAID LEASE PAYMENT

	HK$'000
COST	
At 1 April 2013 and 2014	–
Acquisition of subsidiaries (note 37)	133,261
At 31 March 2015	133,261

During the year ended 31 March 2015, the Group acquired the entire interest of Access Profit Global Enterprises Group Limited and its subsidiaries (collectively referred as the "Access Profit Group") at a consideration of HK$150,000,000. The principal asset of the Access Profit Group is a land located in Urumqi, the capital city of the Uyghur Autonomous Region of Xinjiang in the PRC. The land is designated for logistics and warehousing development purpose. In the opinion of the directors, it is probable that the future economic benefits will flow to the Group as a result of engaging in the logistics and warehousing development on this land. At the date of acquisition, the excess of the fair value of the land, determined based on a valuation performed as on 31 March 2015 by Roma Appraisals Limited, over the amount prepaid by Access Profit Group when it acquired the land use right, is recognised as premium over prepaid lease payment in accordance with HKAS 38 "Intangible Assets".

At the date of the completion of the acquisition, the Group recorded HK$18,131,000 and HK$133,261,000 as prepaid lease payment and premium over prepaid lease payment respectively. The premium over prepaid lease payment is amortised on a straight-line basis over the remaining term of the leases of the prepaid lease payment of 49 years.

21. AVAILABLE-FOR-SALE INVESTMENTS

	2015 **HK$'000**	2014 HK$'000
Available-for-sale investments include:		
Equity securities listed in Hong Kong, at fair value	**925,220**	693,084
Unlisted equity securities, at cost	**363,235**	363,235
	1,288,455	1,056,319

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

21. AVAILABLE-FOR-SALE INVESTMENTS (continued)

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.

As at 31 March 2015, the Group has pledged certain available-for-sale investments of HK$442,785,000 (2014: HK$205,800,000) and HK$326,400,000 (2014: nil) to secure a bank loan and securities margin loans granted to the Group respectively. Details are set out in note 32.

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

	2015 **HK$'000**	2014 HK$'000
Financial assets designated at FVTPL		
Convertible ICube Bond (note i)	**–**	4,745
Derivative financial instruments		
Financial assets:		
Options consideration received (note ii)	**585,324**	550,573
Financial liabilities:		
Option granted (note iii)	**202,601**	–

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

Notes:

(i) 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 matured on 30 November 2013. The Group had 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 and financial assets designated at FVTPL respectively in accordance with the revised terms and conditions. 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.

During the year ended 31 March 2015, the Group disposed of its entire investment in Convertible ICube Bond and Interest Bearing ICube Bond to an independent third parties at a total consideration of HK$19,000,000 and resulted a fair value gain on financial assets designated at fair value through profit or loss of HK$4,755,500 and gain on disposal of loan and interest receivable of HK$3,689,500.

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

Notes: (continued)

(ii) 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 operated 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 Champ Universe Disposal was completed on 28 June 2013.

The consideration was 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 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 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.

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 2015	At 31 March 2014
Stock price of Up Energy	**HK$0.480**	HK$0.560
Strike price	**HK$2.000**	HK$2.000
Risk free rate (note a)	**0.180%**	0.559%
Expected life (note b)	**1.245 years**	2.245 years
Expected volatility (note c)	**53.495%**	45.755%

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

Notes: (continued)

(ii) (continued)

Put Options

	At 31 March 2015	At 31 March 2014
Stock price of Up Energy	**HK$0.480**	HK$0.560
Strike price	**HK$2.200**	HK$2.200
Risk free rate (note a)	**0.193%**	0.594%
Expected life (note b)	**1.327 years**	2.327 years
Expected volatility (note c)	**52.889%**	46.092%

As at 31 March 2015, the fair value of the Top-up Options and Put Options were HK$345,140,000 (2014: HK$323,983,000) and HK$240,184,000 (2014: HK$226,590,000) respectively, with an aggregate fair value gain of HK$34,751,000 (2014: an aggregate fair value loss of HK$49,534,000) recognised in profit and 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 options.

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

(c) Expected volatility is estimated by calculating the historical daily share price volatility of the stock price of Up Energy.

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

Notes: (continued)

(iii) During the current year, the Group entered into a call option deed (the "Call Option Deed") with an independent third party (the "Optionholder"). Pursuant to the Call Option Deed, the Optionholder is granted a right to purchase up to 240,000,000 shares of Imperial Pacific International Holdings Limited ("Imperial Pacific"), whose shares are listed on the Stock Exchange, at an exercise price of HK$0.55 per share. The Group received a premium of HK$5,000,000 for this transaction. The Optionholder is entitled to exercise the option at any time before 3 July 2016.

The fair value of the option was calculated using the Black Scholes Option Pricing Model. The inputs into the valuation were as follows:

	At date of issue	At 31 March 2015
Stock price of the Imperial Pacific	**HK$0.710**	HK$1.360
Strike price	**HK$0.550**	HK$0.550
Risk free rate (note a)	**0.397%**	0.182%
Expected life (note b)	**1.998 years**	1.259 years
Expected volatility (note c)	**63.050%**	66.418%

As at date of issue, the fair value of the option was HK$73,763,000, an initial loss of HK$68,763,000 was recognised to profit or loss.

As at 31 March 2015, the fair value of the option was HK$202,601,000. The change in fair value of HK$128,838,000 was charged to profit and 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 option.

(b) Expected life is the expected remaining life of the option.

(c) Expected volatility is estimated by calculating the historical daily share price volatility of the stock price of Imperial Pacific.

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23. DEPOSITS

	2015 **HK$'000**	2014 HK$'000
Deposits for purchase of property, plant and equipment	**1,017**	1,011
Deposit paid for purchase of assets through purchase of subsidiaries (note)	**–**	150,000
	1,017	151,011

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 was an entity controlled by directors of a subsidiary of the Group, pursuant to which, the Group intended to acquire the Access Profit Group. A refundable deposit of HK$150,000,000 was paid. The acquisition was completed during the year ended 31 March 2015. Details are set out in note 37.

24. INVENTORIES

	2015 **HK$'000**	2014 HK$'000
Consumables and others	**1,239**	2,776

25. OTHER CURRENT FINANCIAL ASSETS

Trade and bills receivables

	2015 **HK$'000**	2014 HK$'000
Trade receivables	**7,615**	9,774
Bills receivables arising from trading of commodities	**5,783**	57,627
	13,398	67,401
Interest receivables in relation to money lending business	**17,569**	13,072
	30,967	80,473

Included in the Group's trade and bills receivables are receivables of HK$5,783,000 (2014: HK$56,748,000) denominated in the currency other than the functional currency of the respective group entities.

25. OTHER CURRENT FINANCIAL ASSETS (continued)

Trade and bills receivables (continued)

The Group allows credit period of 90 days to its customers of trading of commodities business, and 120 to 180 days to its customers of sale of coal. The aged analysis of trade and bills receivables presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates, is stated as follows:

	2015 **HK$'000**	2014 HK$'000
0 to 30 days	**–**	17,357
31 to 60 days	**–**	2,106
61 to 90 days	**1,511**	19,306
91 to 180 days	**4,272**	28,632
Over 365 days	**7,615**	–
	13,398	67,401

Interest in relation to money lending business is accrued on a time basis, by reference to the principal outstanding (see note 26) and at effective interest rate applicable. Settlement of interest receivables is in accordance with the terms stated in agreements entered with its customers ranges from 1 month to 6 months (2014: 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 balances are not recoverable. The directors believe that there is no further credit provision required as at the end of the reporting period.

Included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of HK$7,615,000 as at 31 March 2015, 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 471 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.

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25. OTHER CURRENT FINANCIAL ASSETS (continued)

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

	2015 **HK$'000**	2014 HK$'000
Overdue by 181 to 365 days	**7,615**	–

Other receivables, deposits and prepayments

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

Included in the Group's other receivables, deposits and prepayments are the funds deposits to financial institutions for securities investment and trading of futures purposes of HK$245,566,000 (2014: nil).

Bank balances and cash and pledged bank deposits

As at 31 March 2015, bank deposits amounting to HK$45,276,000 (2014: HK$44,613,000) have been pledged to banks as security, carrying effective interest of 0.48% (2014: 0.37%) 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 0.33% (2014: 0.27%) per annum.

The bank balances and cash of HK$17,476,000 (2014: HK$30,864,000) are denominated in currencies other than the functional currency of the respective group entities.

26. LOAN RECEIVABLES

	2015 **HK$'000**	2014 HK$'000
Non-current:		
Interest Bearing ICube Bond (note 22 (i))	**–**	5,572
Secured, fixed-rate mortgage loan receivables (note c)	**56,365**	1,000
	56,365	6,572
Current:		
Promissory note (note a)	**–**	25,000
Unsecured, bears 13% interest per annum and repayable in Year 2015	**90,000**	–
Unsecured, bears 7.2% interest per annum and repayable in Year 2015	**25,340**	–
Secured, bears 20% (2014: 22%) interest per annum and repayable in Year 2015 (note b)	**100,000**	100,000
Secured, borne 36% interest per annum and repayable in Year 2014 (note b)	**–**	57,000
Secured, borne 15% interest per annum and repayable in Year 2014 (note b)	**–**	6,000
Secured, borne 25% interest per annum and repayable in Year 2014 (note b)	**–**	20,000
Secured, borne 30% interest per annum and repayable in Year 2014 (note b)	**–**	10,535
Secured, bears 16% interest per annum and repayable in Year 2015 (note b)	**50,000**	–
Secured, bears 16% interest per annum and repayable in Year 2015 (note b)	**50,000**	–
Secured, bears 10.5% interest per annum and repayable in Year 2016 (note b)	**7,000**	–
Secured, bears 10% interest per annum and repayable in Year 2016 (note b)	**5,000**	–
Secured, fixed-rate mortgage loan receivables (note c)	**60,310**	–
Unsecured, borne fixed-interest ranged from 20% to 30% per annum loan receivables	**–**	48,500
	387,650	267,035
	444,015	273,607

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26. 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$25 million. The Carnival Note was denominated in HK$ and matured on 21 December 2014. The Carnival Note borne interest at 3.5% per annum which was payable on the maturity date. The Carnival Note was repayable at the maturity date at 100% of the principal amount with the accrued interest.

During the year ended 31 March 2015, the Group disposed the Carnival Note and its accrued interests with aggregated carrying value of HK$27,000,000 to an independent third party for a total consideration of HK$27,000,000. No gain or loss resulted from this disposal.

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

(c) The loan receivables are secured by properties held by the borrowers. Included in the Group's loans receivables are debtors, with carrying amount of HK$27,245,000 (2014: nil) which are past due at the reporting date. The loan receivables are secured by properties pledged to the Group. The Group assessed the fair value of the pledged properties, in the opinion of the directors, the risk of non-recoverability of the amount is minimal, and no impairment is required as at 31 March 2015.

Loan receivables at the end of reporting period are neither past due nor impaired, except for those disclosed in note (c) above. The Group did not provide impairment loss for the loan receivables.

27. INVESTMENTS HELD FOR TRADING

	2015 **HK$'000**	2014 HK$'000
Investments held for trading include:		
Equity securities listed in Hong Kong, at fair value	**2,952,114**	–
Derivatives listed outside Hong Kong, at fair value (note)	**4,573**	–
	2,956,687	–

Note: Amount represents the fair value of the Group's outstanding position of trading of futures related to commodities and currencies as at 31 March 2015.

27. INVESTMENTS HELD FOR TRADING (continued)

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

As at 31 March 2015, included in investments held for trading, HK$2,619,600,000 represents the Group's investment in 26.20% of the equity interests of Heritage. The investment in Heritage is classified as investments held for trading, as in the opinion of the directors, the investment is owned for short-term trading purpose and the Group irrevocably undertake to Heritage that the Group shall not to participate or otherwise exercise any influence over the management or the operating and financial policy decisions of the Heritage and shall not nominate any directors to or remove any directors from the board of directors of Heritage.

As at 31 March 2015, included in the Group's investments held for trading, carrying amount of HK$849,600,000 (2014: nil) (the "Pledged Shares") are pledged to a bank to secure a banking facility of HK$450,000,000 with a term of twelve months. The Group is able to dispose the Pledged Shares upon written consent has been received from the bank.

In addition, as at 31 March 2015, included in the Group's investments held for trading, carrying amount of HK$2,061,041,000 (2014: nil) are pledged to a security house to secure securities margin loans.

Details of the Group's material listed equity security as at 31 March 2015 is as follow:

Name of investment	**Country of establishment**	**Paid up registered capital**	**Proportion of nominal value of registered capital held by the Company**
Heritage	Bermuda	HK$4,235,930	28.87% (note)

Note: Of the Group's total investment in Heritage, 2.67% (2014: 2.67%) equity interest of the Heritage was acquired during the year ended 31 March 2014 and classified as available-for-sale investment and 26.20% (2014: nil) equity interest was acquired during the year ended 31 March 2015 and classified as investments held for trading.

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28. CONSIDERATION RECEIVABLES

	2015	2014
	HK$'000	HK$'000
Consideration receivables from		
Menggang Group disposal (note i)	**152,230**	151,244
Winbox Group disposal (note ii)	**–**	5,702
Disposal of an available-for-sale investment (note iii)	**–**	10,000
	152,230	166,946

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, for a cash consideration of RMB1,503,000,000 ("Total Consideration"). The Menggang Group Disposal was completed on 30 May 2012. The Total Consideration shall be satisfied by four instalments: RMB781,560,000 by completion; RMB420,840,000 by 90 days subsequent to the completion; RMB225,450,000 by 180 days subsequent to the completion and the remaining RMB75,150,000 by fifteen months subsequent to the completion. On 19 November 2012, the Group and the Purchaser entered into a supplemental agreement in relation to the Menggang Group Disposal ("Supplemental Agreement"), pursuant to which the Group and the Purchaser agreed to reduce the Total Consideration by RMB75,000,000. Such reduction shall be settled by deducting the third installment by RMB40,000,000 and deducting the final installment by RMB35,000,000.

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

28. CONSIDERATION RECEIVABLES (continued)

Notes: (continued)

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

On 16 May 2013, an arbitration (the "First 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.

On 30 August 2013, the final installment of the Total Consideration, RMB40,150,000 has been due. On 8 October 2013, the Purchaser filed a counter arbitration request ("Counter-claim") 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).

On 13 January 2014, the Group filed another arbitration to the Commission to claim the unsettled final installment (the "Second Arbitration").

On 27 June 2014, the decision of the First Arbitration was concluded by the Commission. The decision is in favour of the Group and the Commission ordered the Purchaser to settle the unsettled portion of the third instalment of RMB80 million and dismissed the Counter-claim. The Purchaser, however, filed a litigation to the Beijing Second Intermediate People's Court (the "Beijing Court") to request the Beijing Court to void the decision made in the First Arbitration and applied to temporarily suspend the Second Arbitration.

On 22 September 2014, the Purchaser revoked its request about the temporarily suspension of the Second Arbitration. On 23 October 2014, the Group requested the Commission to re-open the Second Arbitration. On 18 December 2014, the Beijing Court rejected the request from the Purchaser to void the decision made in the First Arbitration.

On 21 August 2014, the Purchaser, however, filed a litigation to the Inner-Mongolia Autonomous Regional High People's Court ("the Inner-Mongolia Court") and claimed for an aggregate amount of approximately RMB103 million (approximately HK$131 million), based on similar facts under the Counter-claim. On 6 February 2015, the Group received a writ of summons from the Inner-Mongolia Court regarding this litigation which was dated 29 December 2014. On 8 May 2015, the Group submitted an application of objection to the jurisdiction at the Inner-Mongolia Court. The hearing is pending for scheduling.

On 6 February 2015, the Group has submitted an execution to Ordos Intermediate People's Court to execute the decision of the First Arbitration (the "Execution"). The Execution is under process.

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28. CONSIDERATION RECEIVABLES (continued)

Notes: (continued)

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

Up to the date of the report, the result of Second Arbitration and the decision from the Inner-Mongolia Court have not been announced. In view of the Notice was revoked by the Tax Bureau, the decision of the First Arbitration and the Beijing Court, 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 arbitration and litigation, so the risk of not recovering the amount is minimal, and no impairment loss is required as at 31 March 2015.

As at 31 March 2015 and 2014, the remaining unsettled consideration of RMB120,150,000 (or equivalent to HK$152,230,000; 31 March 2014: HK$151,244,000) was included in the consolidated statement of financial position as consideration receivable.

(ii) Consideration receivable from disposal of the Winbox Group

On 16 December 2013, the Group entered into a sale and purchase agreement with Goodwill International (Holdings) Limited ("Goodwill International") to dispose 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 was 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 equity interests of Goodwill International.

The Winbox Group Disposal was completed on 14 March 2014. During the year ended 31 March 2015, the cash consideration has been fully settled.

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

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 was 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. During the year ended 31 March 2015, the cash consideration has been fully settled.

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29. DISCONTINUED OPERATIONS

The combined results of the discontinued operations (i.e. Xinjiang Coal Mining Operation and Package Box Operation) included in the loss for the year ended 31 March 2014 were set out below.

	2014 HK$'000
Profit for the year ended 31 March 2014 from discontinued operations was analysed as follows:	
Revenue	161,445
Cost of sales	(106,268)
Other income, gain and loss	6,274
Share of result of associates	8
Distribution and selling costs	(7,404)
Administrative expenses	(39,283)
Finance costs – interest on borrowings wholly repayable within five years	(1,060)
Tax charge	(7,722)
	5,990
Gain on disposal of operations	88,416
Profit for the year from discontinued operations	94,406

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29. DISCONTINUED OPERATIONS (continued)

	2014 HK$'000
Profit for the year from discontinued operations for the year ended 31 March 2014 had been arrived at after charging (crediting):	
Auditor's remuneration	631
Depreciation of property, plant and equipment and investment property	1,137
Operating lease rentals in respect of rented premises	3,204
Gain on disposal of property, plant and equipment	(256)
Directors' emoluments (note)	2,000
Other staff costs	
Fees, salaries, bonus and other allowances (note)	22,390
Retirement benefit scheme contributions	5,432
	29,822
Interest income	(608)
Fair value loss on investments held for trading	138
Cash flows from discontinued operations:	
Net cash flows from operating activities	4,056
Net cash flows used in investing activities	(5,114)
Net cash flows from financing activities	–

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 36(d).

30. OTHER CURRENT FINANCIAL LIABILITIES

Bills payables

	2015 HK$'000	2014 HK$'000
Bills payables arising from trading of commodities	**–**	24,748

30. OTHER CURRENT FINANCIAL LIABILITIES (continued)

Bills payables (continued)

Bills payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trading of commodities is 0 to 90 days. The aged analysis of bills payables based on the invoice date at the end of the reporting period is stated as follows:

	2014 HK$'000
0 to 30 days	23,264
31 to 60 days	1,484
	24,748

As at 31 March 2014, included in the Group's bills payables, HK$23,879,000 were 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.

31. DEFERRED TAXATION LIABILITY

The following is the major deferred tax liability recognised and movement thereon during the current period:

	Fair value change of investments held for trading HK$'000
At 1 April 2013 and 31 March 2014	–
Charge to profit or loss	(315,155)
At 31 March 2015	(315,155)

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32. BORROWINGS

	2015 HK$'000	2014 HK$'000
Bank overdrafts – secured (note a)	**26,000**	17,000
Bank loans – secured (note b)	**345,283**	193,000
Corporate bonds and notes – unsecured (note c)	**144,550**	14,000
Securities margin loans – secured (note d)	**201,518**	–
	717,351	224,000
Carrying amount:		
Carrying amount repayable (based on the scheduled repayment dates set out in loan agreements):		
Within one year (note e)	**572,801**	210,000
More than two years but not more than five years	**9,550**	–
More than five years	**135,000**	14,000
	717,351	224,000
Comprising:		
Amounts due within one year shown under current liabilities	**572,801**	210,000
Amounts shown under non-current liabilities	**144,550**	14,000
	717,351	224,000

32. BORROWINGS (continued)

Notes:

(a) The bank overdrafts are secured by pledged bank deposits of HK$45,276,000 (2014: HK$40,000,000). The bank overdrafts carry floating rates of Hong Kong Interbank Offered Rate (the "HIBOR") plus 1% or Prime Rate plus 1%, i.e. effective interest rate of 1.84% to 6% per annum (2014: HIBOR plus 5% or Prime Rate, i.e. effective interest rate of 5.25% to 5.55% per annum).

(b) The Group's bank borrowings of HK$293,000,000 (2014: HK$193,000,000) are secured by certain assets of the Group, including the Group's available-for-sale investments of HK$442,785,000, investments held for trading of HK$849,600,000, a yacht of HK$58,383,000 and the entire issued share capital of the Group's subsidiaries, Hao Tian Finance Company Limited and Guo Guang Limited (2014: available-for-sale investments of HK$205,800,000, a yacht of HK$61,799,000 and the entire issued share capital of the Group's subsidiaries, Hao Tian Finance Company Limited and Guo Guang Limited). The bank borrowings carry floating rates of HIBOR plus 3.7% (2014: HIBOR plus 3.7%) per annum, i.e. effective interest of 4.35% (2014: 4.25%) per annum.

The Group's bank borrowings of HK$52,283,000 (2014: nil) are secured by standby letters of credit to be issued by the banks. The bank borrowings carry floating rates of HIBOR plus 2.7% (2014: nil) per annum, i.e. effective interest of 2.94% (2014: nil) per annum.

(c) The borrowings are unsecured, carries fixed rate ranges from 3.25% to 7.5% per annum (2014: 5.5% per annum) and will mature in year 2017 to 2022 (2014: year 2021).

(d) These represent securities margin financing received from securities broking houses and are secured by certain investments held for trading as collateral. Additional funds or collateral are required if the balance of the borrowings exceeds the eligible margin value of securities pledged to the broking houses. The collateral can be sold at the broking houses' discretion to settle any outstanding borrowings owed by the Group. The entire loans are repayable on demand and carry fixed interest rate of 8% (2014: N/A) per annum. As at 31 March 2015, HK$326,400,000 (2014: nil) available-for-sale investments and HK$2,061,041,000 (2014: nil) investments held for trading are pledged to the respective security house to secure the outstanding securities margin loans.

(e) Included in the Group's borrowings are borrowings, with carrying amount of HK$562,801,000 (2014: HK$193,000,000) which contain a repayment on demand clause.

33. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the 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$1,500 per month starting from 1 June 2014 (prior to 1 June 2014: HK$1,250). 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 to fund the benefits. 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$664,000 (2014: HK$6,356,000) represent contribution paid or payable to the schemes by the Group at rates specified in the rules of the schemes.

34. SHARE CAPITAL

	Nominal value per share	**Number of shares**	**Share capital**
	HK$		HK$'000
Ordinary shares			
Authorised:			
At 1 April 2013 and 31 March 2014	0.05	10,000,000,000	500,000
Decrease in authorised share capital (note a)		(9,000,000,000)	–
Increase in authorised share capital (note b)		49,000,000,000	–
At 31 March 2015	**0.01**	**50,000,000,000**	**500,000**
Issued and fully paid:			
At 1 April 2013	0.05	3,930,535,804	196,527
Share issued upon exercise of warrants (note c)		41,500,000	2,075
At 31 March 2014	0.05	3,972,035,804	198,602
Capital Reorganisation (note a)		(3,574,832,224)	(194,630)
Shares issued upon exercise of warrants (note c)		561,085,200	5,611
Open offer with bonus issue (note d)		1,588,814,320	15,888
Placing of shares (note e)		397,200,000	3,972
At 31 March 2015	**0.01**	**2,944,303,100**	**29,443**

34. SHARE CAPITAL (continued)

Details of the changes in the Company's share capital for the years ended 31 March 2014 and 2015 are as follows:

(a) On 14 August 2014, the Company completed capital reorganisation which comprised of i) share consolidation; ii) the capital reduction; and iii) the share subdivision (collectively known as the "Capital Reorganisation"). Every ten shares of nominal value of HK$0.05 each in issued and unissued of the Company into one share of nominal value of HK$0.50 each (the "Consolidated Shares"). The nominal value, HK$0.50, of each the Consolidated Share is reduced to HK$0.01 each by the cancellation of HK$0.49 on each of the issued Consolidated Shares.

(b) Pursuant to special resolution passed on 12 May 2014, each of the Company's issued and unissued shares of par value HK$0.50 each were subdivided into fifty subdivided shares of par value of HK$0.01 each ("Share Subdivision"). The Share Subdivision was effective on 14 August 2014, the authorised share capital of the Company was divided into 50,000,000,000 shares of HK$0.01 each.

(c) During the year ended 31 March 2015, a total of 561,085,200 (2014: 41,500,000) new ordinary shares of the Company of HK$0.01 (2014: HK$0.05) each were issued upon the exercise of 561,085,200 (2014: 41,500,000) warrants at HK$0.215 (2014: HK$0.1625) per share.

(d) During the year ended 31 March 2015, the Company issued 794,407,160 new shares by way of open offer to qualifying shareholders (the "Open Offer") at HK$0.25 per share, and issued 794,407,160 bonus shares (the "Bonus Issue") based on one bonus share for every one offer share taken up. Details are stated in the Company's prospectus issued on 12 August 2014. The Open Offer and Bonus Issue were completed on 2 September 2014.

(e) On 23 October 2014, private placements to independent private investors of 397,200,000 new shares of HK$0.01 each in the Company were completed, at placing price of HK$0.48 per share.

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

35. RESERVES

Share premium

	2015	2014
	HK$'000	HK$'000
At the beginning of year	**2,824,309**	2,819,640
Issue of new shares	**369,398**	–
Issue of new shares upon exercise of warrants	**122,191**	4,669
Transaction costs attributable to issue of new shares upon placing, open offer and bonus issue	**(13,726)**	–
At the end of year	**3,302,172**	2,824,309

Warrant reserve

	2015	2014
	HK$'000	HK$'000
At the beginning of year	**7,169**	7,570
Exercise of warrants	**(7,169)**	(401)
At the end of the year	**–**	7,169

Statutory surplus reserve

	2015	2014
	HK$'000	HK$'000
At the beginning and the end of year	**3,539**	3,539

35. RESERVES (continued)

Share option reserve

	2015 HK$'000	2014 HK$'000
At the beginning of year	**42,208**	43,900
Transfer to accumulated losses upon forfeiture of share options	**(35,037)**	(4,154)
Recognition of equity-settled share-based payments	**7**	2,462
At the end of year	**7,178**	42,208

Asset revaluation reserve

	2015 HK$'000	2014 HK$'000
At the beginning of year	**203,749**	16,697
Fair value changes on available-for-sale investments	**499,254**	193,626
Reclassification adjustment to profit or loss on impairment loss	**–**	24,613
Reclassification adjustment to profit or loss upon disposal	**(141,405)**	(29,061)
Reclassification adjustments relating to foreign operations disposed of	**–**	(2,126)
At the end of year	**561,598**	203,749

Special reserve

	2015 HK$'000	2014 HK$'000
At the beginning and the end of year	**(5,754)**	(5,754)

Translation reserve

	2015 HK$'000	2014 HK$'000
At the beginning of year	**1,814**	76,909
Exchange differences arising on translation of foreign operations	**(165)**	12,591
Reclassification adjustments relating to foreign exchange operations disposed of	**(14)**	(87,686)
At the end of year	**1,635**	1,814

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36. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Hao Tian Hua Chen International Group Limited ("Hua Chen")

During the year ended 31 March 2015, the Group disposed of its entire equity interest in Hua Chen to an independent third party at a consideration of HK$4,783,000 by cash.

Analysis of assets over which control was lost:

	HK$'000
Assets disposed of:	
Other receivables, deposits and prepayments	**8,774**
Bank balances and cash	**761**
	9,535
Gain on disposal of subsidiary:	
Cash consideration	**4,783**
Assets disposed of	**(9,535)**
Non-controlling interests	**4,767**
Gain on disposal of a subsidiary	**15**
Net cash inflow arising on disposal:	
Cash consideration	**4,783**
Less: bank balances and cash disposed of	**(761)**
	4,022

The impact of Hua Chen on the Group's results and cash flows for the year ended 31 March 2015 was insignificant.

36. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of Baicheng Hao Tian Huasheng Trading Limited* ("Hao Tian Huasheng")

During the year ended 31 March 2015, the Group disposed of its entire equity interest in Hao Tian Huasheng to an independent third party at a consideration of HK$1,837,000 (RMB1,450,000) by cash.

Analysis of assets over which control was lost:

	HK$'000
Assets disposed of:	
Other receivables, deposits and prepayments	**1,818**
Bank balances and cash	**5**
	1,823
Gain on disposal of subsidiary:	
Cash consideration	**1,837**
Assets disposed of	**(1,823)**
Gain on disposal of a subsidiary	**14**
Net cash inflow arising on disposal:	
Cash consideration	**1,837**
Less: bank balances and cash disposed of	**(5)**
	1,832

The impact of Hao Tian Huasheng on the Group's results and cash flows for the year ended 31 March 2015 was insignificant.

* English name is translated for identification purpose only.

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36. DISPOSAL OF SUBSIDIARIES (continued)

(c) 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

36. DISPOSAL OF SUBSIDIARIES (continued)

(c) 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 29).

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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36. DISPOSAL OF SUBSIDIARIES (continued)

(d) 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

36. DISPOSAL OF SUBSIDIARIES (continued)

(d) 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 29).

Net cash inflow arising from the Champ Universe Group 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 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$2,850,000. 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.

37. PURCHASE OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 21 December 2012, the Group entered into a memorandum of understanding with Sunshine Zhong Xing, pursuant to which, the Group intended to acquire a land use right situated in the PRC through acquisition of a company owned by Sunshine Zhong Xing. A refundable deposit of HK$150,000,000 has been paid. On 27 June 2013, the Group entered into a sale and purchase agreement with Sunshine Zhong Xing, a company wholly owned by two individuals who are directors and key management personnel of certain inactive subsidiaries of the Group to acquire the Access Profit Group at a consideration of HK$300,000,000 in cash. On 20 June 2014, the Group entered into a supplemental sale and purchase agreement with Sunshine Zhong Xing to finalise the total consideration to be HK$150,000,000. The acquisition was completed during the year ended 31 March 2015 and was accounted for as acquisition of a group of assets that does not constitute a business under HKFRS 3 "Business Combinations" as Access Profit Group does not have operations since its incorporation.

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37. PURCHASE OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (continued)

Assets acquired and liabilities recognised at the date of acquisition:

	HK$'000
Property, plant and equipment	1,166
Prepaid lease payment	18,131
Premium over prepaid lease payment	133,261
Deposits, prepayments and other receivables	1
Bank balances and cash	43
Accruals and other payables	(2,602)
Net assets acquired	150,000
Consideration satisfied by:	
Cash deposit paid and included in deposits as at 31 March 2014	150,000

Cash inflow arising on acquisition:

	HK$'000
Cash consideration paid during the year ended 31 March 2015	–
Bank balances and cash acquired	43
	43

38. PLEDGE OF ASSETS

Other than the pledged assets for the Group borrowings as disclosed in note 32, the Group also pledged HK$4,613,000 bank deposit to settle certain of its trade and bills payable as at 31 March 2014.

39. 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:

	2015 HK$'000	2014 HK$'000
Within one year	**12,264**	7,570
In the second to fifth year inclusive	**6,048**	4,669
	18,312	12,239

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.

(b) Capital commitment:

	2015 HK$'000	2014 HK$'000
Capital expenditure in respect of purchase of assets through acquisition of subsidiaries contracted for but not provided in the consolidated financial statements (note)	**–**	150,000
Capital expenditure in respect of addition of property, plant and equipment authorised but not contracted for	**237,138**	–

Note: 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. The acquisition was completed during the year ended 31 March 2015.

40. 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;

(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;

40. SHARE OPTION SCHEME (continued)

(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 five business days immediately preceding the date of grant; and
- the nominal value of the share.

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

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

				Number of share options						
Grantee	**Date of grant**	**Exercising period**	**Exercise price per share** (note b) HK$	**Outstanding at 1 April 2013**	**Forfeited during the year**	**Outstanding at 31 March 2014**	**Lapsed during the year**	**Forfeited during the year**	**Adjusted during the year** (note c)	**Outstanding at 31 March 2015**
Director										
Fok Chi Tak (note a)	8.4.2011	8.4.2012 to 8.4.2015	0.977	600,000	–	600,000	–	–	(145,680)	454,320
	8.4.2011	8.4.2013 to 8.4.2016	0.977	600,000	–	600,000	–	–	(145,680)	454,320
	8.4.2011	8.4.2014 to 8.4.2017	0.977	800,000	–	800,000	–	–	(194,240)	605,760
Chief Executive										
Ms. Li	27.9.2010	27.9.2011 to 26.9.2014	1.057	5,700,000	–	5,700,000	(4,316,040)	–	(1,383,960)	–
	27.9.2010	27.9.2012 to 26.9.2015	1.057	5,700,000	–	5,700,000	–	–	(1,383,960)	4,316,040
	27.9.2010	27.9.2013 to 26.9.2016	1.057	7,600,000	–	7,600,000	–	–	(1,845,280)	5,754,720
Other employees	8.6.2007	8.6.2010 to 5.7.2013	1.136	260,000	(260,000)	–	–	–	–	–
	1.4.2010	1.4.2011 to 31.3.2014	1.587	6,000,000	(6,000,000)	–	–	–	–	–
	1.4.2010	1.4.2012 to 31.3.2015	1.587	6,000,000	–	6,000,000	–	(4,543,200)	(1,456,800)	–
	1.4.2010	1.4.2013 to 31.3.2016	1.587	8,000,000	–	8,000,000	–	(6,057,600)	(1,942,400)	–
	27.8.2010	27.8.2011 to 26.8.2014	1.057	1,950,000	–	1,950,000	–	(1,950,000)	–	–
	27.8.2010	27.8.2012 to 26.8.2015	1.057	1,950,000	–	1,950,000	–	(1,476,540)	(473,460)	–
	27.8.2010	27.8.2013 to 26.8.2016	1.057	2,600,000	–	2,600,000	–	(1,968,720)	(631,280)	–
	27.9.2010	27.9.2011 to 26.9.2014	1.057	13,170,000	–	13,170,000	(4,481,264)	(5,491,060)	(3,197,676)	–
	27.9.2010	27.9.2012 to 26.9.2015	1.057	13,170,000	–	13,170,000	(2,810,572)	(3,443,900)	(3,197,676)	3,717,852
	27.9.2010	27.9.2013 to 26.9.2016	1.057	17,560,000	–	17,560,000	–	–	(4,263,568)	13,296,432
	8.4.2011	8.4.2012 to 8.4.2015	0.977	1,350,000	–	1,350,000	–	–	(327,780)	1,022,220
	8.4.2011	8.4.2013 to 8.4.2016	0.977	1,350,000	–	1,350,000	–	–	(327,780)	1,022,220
	8.4.2011	8.4.2014 to 8.4.2017	0.977	1,800,000	–	1,800,000	–	–	(437,040)	1,362,960
				96,160,000	(6,260,000)	89,900,000	(11,607,876)	(24,931,020)	(21,354,260)	32,006,844
Weighted average exercise price				0.880	1.188	0.858	1.057	1.282	1.135	1.045
Exercisable at the end of the year				55,850,000		87,300,000				32,006,844

Notes to the Consolidated Financial Statements

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40. SHARE OPTION SCHEME (continued)

Notes:

(a) 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.

(b) The exercise price per share option was adjusted upon the (i) completion of Capital Reorganisation; and (ii) completion of the Open Offer with the Bonus Issue.

(c) The numbers of share options were adjusted upon the (i) completion of Capital Reorganisation; and (ii) completion of the Open Offer with the Bonus Issue.

In the current year, share option expenses of approximately HK$7,000 (2014: HK$2,462,000) were recognised in profit or loss with a corresponding credit in the Group's share option reserve.

41. RELATED PARTY TRANSACTIONS

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

(a) During the year ended 31 March 2015, the Group purchased assets through acquisition of the Access Profit Group from Sunshine Zhong Xing, which is controlled by directors of subsidiary. Details are set out in note 37.

(b) 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 subsidiary prior to the completion of the Winbox Group Disposal.

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

	2015	2014
	HK$'000	HK$'000
Salaries and other short-term benefits	**12,954**	16,650
Post-employment benefits	**76**	96
Share-based payments	**2**	1,484
	13,032	18,230

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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42. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 March 2015, the consideration of HK$150,000,000 for purchase of assets through acquisition of the Access Profit Group was satisfied by cash deposit paid in prior year.

(b) 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.

(c) 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.

(d) During the year ended 31 March 2014, as part of the consideration of 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.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 March 2015 and 2014 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				Principal activities
				2015		2014		
				Directly	**Indirectly**	Directly	Indirectly	
Win Team Investments Limited	BVI	Ordinary	US$1	**100%**	**-**	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
Hao Tian Management (Hong Kong) Limited	Hong Kong	Ordinary	HK$10,000	**-**	**100%**	–	100%	Trading of commodities, securities investment, trading of futures, investment holding and provision of management services
Hao Tian Finance Company Limited (note)	Hong Kong	Ordinary	HK$900,000,000 (2014: HK$1)	**-**	**100%**	–	100%	Money lending

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43. 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 2015 Directly	2015 Indirectly	2014 Directly	2014 Indirectly	Principal activities
Esteem Ocean Limited	BVI	Ordinary	US$1	-	100%	–	100%	Investment holding
Hong Kong Energy & Mining Investment Management Limited	Hong Kong	Ordinary	HK$1	-	100%	–	100%	Trading of futures
Access Profit Global Enterprises Group Limited	BVI	Ordinary	US$1,000	-	100%	–	–	Investment holding
New Style Corporation Limited	Hong Kong	Ordinary	HK$1,000	-	100%	–	–	Investment holding
Xinjiang Xinpin Logistics Co., Ltd.	PRC	Ordinary	RMB15,000,000	-	100%	–	–	Logistics and warehousing development

Note: During the year ended 31 March 2015, the share capital of Hao Tian Finance Company Limited was resolved to be enlarged to HK$900,000,000. As at 31 March 2015, HK$900,000,000 ordinary shares were in issue.

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

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 activity	Principal place of business	Number of subsidiaries 2015	2014
Investment holding	Hong Kong	**29**	26
	PRC	**6**	6
		35	32

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44. EVENTS AFTER THE REPORTING PERIOD

(i) On 9 April 2015 and 28 April 2015, a subsidiary of the Company, Hao Tian Finance Company Limited, has entered into a subscription agreement with Rui Sheng Global Holdings Limited and Century Golden Resources Investment Co., Ltd, independent third parties to allot 100 million and 200 million new shares of Hao Tian Finance Company Limited (the "Allotments") for a cash consideration of HK$100 million and HK$200 million (the "Consideration"), respectively. The Consideration was determined by reference to the unaudited net assets value of Hao Tian Finance Company Limited as at 31 March 2015. The Allotments has been completed on 13 May 2015 and 15 May 2015, respectively. Upon the completion of the Allotments, the Group's equity interest in Hao Tian Finance Company reduced from 100% to approximately 75.21%.

(ii) On 10 April 2015, the Company has entered into a subscription agreement with Asia Link Capital Investment Holding Limited, the Company's immediate and ultimate holding company. Pursuant to this agreement, the Company will issue of 588,858,000 warrants of the Company at issue price of HK$0.001 per warrant at subscription price of HK$0.50 per share. The completion of the subscription is subjected to the approval from the independent shareholders at the extraordinary general meeting.

In accordance with the valuation performed by Roma Appraisals Limited, an independent professional valuer, the fair value of the warrants as at 10 April 2015, at which date the share price was HK$0.49 per share, was estimated on a provisional basis at HK$100,695,000. On 19 June 2015, the Company has issued an announcement to provide a sensitivity analysis on the valuation of the warrants.

On 26 June 2015, the subscription is approved by independent shareholders at the extraordinary general meeting. The fair value of the warrants as at the date the agreement is approved by the shareholders in the extraordinary general meeting will be recognised as share-based payment expenses in the period when the warrants are granted, as they will vest with the grantee immediately. The Company is in the process of assessing the financial impact arising from the completion of the subscription.

(iii) On 19 May 2015, the Company and CCBI Investments Limited ("CCBI") have entered into a non legally-binding preliminary term sheet in respect of certain proposed investments in the Company and Hao Tian Finance Company Limited (the "Preliminary Term Sheet"). The arrangement contemplated under the Preliminary Term Sheet involves, inter alia, (i) loan notes in the aggregate principal amount of US$30,000,000 proposed to be issued by the Company, (ii) unlisted warrants proposed to be issued by Hao Tian Finance Company Limited to subscribe for shares in Hao Tian Finance Company Limited up to the value of US$15,000,000 and (iii) call option to acquire the shares in Heritage, currently held by the Group, up to the value of US$15,000,000. The proposed investment is still in preliminary stage, further announcement will be made by the Company in the event where negotiation on the detailed terms of the proposed investment.

Financial Summary

RESULTS

	Year ended 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	122,099	143,079	145,510	201,768	**60,899**
(Loss) profit for the year attributable to:					
owners of the Company	(96,646)	(378,458)	(219,324)	(12,415)	**1,522,565**
non-controlling interests	–	–	(2)	(44)	**(187)**
(Loss) profit for the year	(96,646)	(378,458)	(219,326)	(12,459)	**1,522,378**

ASSETS AND LIABILITIES

	As at 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	2,744,900	4,314,591	2,689,216	2,830,127	**6,193,193**
Total liabilities	(945,065)	(1,580,030)	(241,913)	(276,270)	**(1,267,883)**
	1,799,835	2,734,561	2,447,303	2,553,857	**4,925,310**
Equity attributable to owners of the Company	1,799,835	2,734,561	2,442,305	2,548,903	**4,925,310**