CHINA SMARTER ENERGY GROUP HOLDINGS LIMITED
中國智慧能源集團控股有限公司

(Formerly known as Rising Development Holdings Limited)
(Incorporated in Bermuda with limited liability)
(Stock Code: 1004)

2015
Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Hao *(Chairman & Chief Executive Officer)*
(appointed on 11 March 2015)
Mr. Lai Leong
Mr. Lam Kwan Sing
Mr. Wong Nga Leung
Mr. Hon Ming Sang
Mr. Zhou Chengrong

Independent Non-executive Directors

Mr. Fok Ho Yin, Thomas
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

COMPANY SECRETARY

Mr. Hon Ming Sang

AUTHORISED REPRESENTATIVES

Mr. Lam Kwan Sing
Mr. Hon Ming Sang

AUDIT COMMITTEE

Mr. Fok Ho Yin, Thomas *(Chairman)*
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

REMUNERATION COMMITTEE

Mr. Fok Ho Yin, Thomas *(Chairman)*
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

NOMINATION COMMITTEE

Mr. Wang Hao *(Chairman)*
(appointed on 11 March 2015)
Mr. Fok Ho Yin, Thomas
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

AUDITORS

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10th Floor, Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2004-5, 20th Floor
World Trade Centre
280 Gloucester Road
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

HSBC
Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Shanghai Pudong Development Bank

STOCK CODE

1004

COMPANY WEBSITE

www.cse1004.com

Dear Shareholders,

On behalf of the board of directors (the "Board") of China Smarter Energy Group Holdings Limited, the "Company", together with its subsidiaries, the "Group", I am pleased to present to you the annual report and audited financial statements for the year end 31 March 2015.

RESULTS OF THE GROUP

During the year under review, the Group recorded a turnover of HK$202,410,000 (2014: HK$12,273,000 (restated)), representing an increase by 1,549% as compared to the same period last year. The increase was mainly due to a record of increase in net realized and unrealized gain in financial assets at fair value through profit or loss. The net loss attributed to equity shareholders of the Company for the current year amounted to HK$28,778,000 as compared to a net loss of HK$118,084,000 last year, result in a basic loss per share this year of HK$0.47 cents (2014: basic loss per share of HK$2.11 cents (restated)), representing a decrease in loss by 75.6%. The loss was mainly due to the impairment loss of mining business that required current market valuation to be made each year on the mining right with respect to the Vanadium Mine. The mining right was valued by an independent valuer at RMB241,000,000 (equivalent to HK$300,985,000) as at 31 March 2015 as compared to its carrying amount of RMB767,000,000 (equivalent to HK$958,980,000) as at 31 March 2014, mainly due to a significant drop in vanadium market price as at 31 March 2015 to about RMB55,000/metric tonne (2014: RMB69,000 metric/tonne), resulting in a loss after tax of HK$399,200,000 for the year attributed to the equity shareholders of the Company.

China economic growth has been continued to slow down in recent years as the country adjusts its economic development structure and approach. China's GDP grew 7.4% in 2014 (the lowest level since 1990) and 7% in the first quarter of 2015, slightly less than the 7.4% of the same period of 2014. In the meantime, China is facing increasingly acute environmental pollution after years of extensive growth. Accordingly, China's policy-makers have put forward the initiative to increase the use of clean energy as part of the solution to tackle environmental pollution over the long haul and facilitate the smooth transformation of Chinese economic development. To this end, the Chinese Government have rolled out multiple subsidy policies to help develop the clean-energy power generation industry such as solar power. By the end of 2014, an aggregate of 28.05 GW of solar power generation capacity was installed, representing an addition of 10.6 GW in capacity for the year 2014. The National Energy Administration plans to add a further 17.8 GW of solar power generation capacity in 2015. In addition, construction for distributed solar power generation projects, and distributed rooftop photovoltaic power generation projects are encouraged, and no cap is set on the capacity of ground-mounted and distributed solar power generation projects for self-use only.

In response to the above mentioned national policy, the Group started to participant and invest in the clean-energy power generation industry such as solar power since 2014, which will be the focus of the future business growth of the Group. We have established Tianhe Smarter Energy Company Limited in Shanghai as our domestic headquarters for project management and the platform for investment operations. Furthermore, we have recently completed the acquisition of its first 100 MW solar power plant in Jinchang, Gansu Province, marking our first step into the new business. At the same time, the Group has also been in the progress of development and acquisitions of several solar power generation projects in such places as Inner Mongolia and Shanghai. In the future, the Group will continuously increase its investments in the solar power business. We are confident that the Group will enjoy sustainable investment returns thanks to a favourable policy environment and steady revenue from the projects.

Chairman's Statement

In 2015, China's policy-makers have put forward the "Internet Plus" action plan in an effort to facilitate the transformation and upgrade of traditional industries, which provides development opportunities for the energy internet sector. Preparation of the "National Action Plan for Energy Internet Sector" led by the National Energy Administration has commenced. The Plan is expected to be rolled out in 2015. The Group seizes industrial development opportunities and actively explores and engages in the energy internet sector. The energy internet sector is set to be a growth highlight in the Group's future business development. To explore a diversified Internet financial platform for clean-energy power generation projects, we have recently established with an independent third party a joint venture, Shanghai Tianhe Smarter Energy Technology Company Limited in which we own 51% equity interests. In the future, the Group will selectively expand into business segments related to the energy internet sector such as fuel-efficient and new energy automobile, energy storage, cloud platform and big data. We believe that the business will bring broad development space for the Group.

In order to reflect the Group's expanding business focus on the strategic development of the clean energy business which is currently represented by solar power generation and energy internet business, and rebrand its corporate image, the Company has changed its name to "China Smarter Energy Group Holdings Limited" on 12 February 2015 and traded on the Stock Exchange under the new stock short name of "C SMARTERENERGY" since 11 March 2015.

The 2014/2015 financial year earmarked a fresh start for the Group's energy internet business and the clean-energy power generation businesses. In the coming financial year, the Group will continue to focus on the developing its energy internet business and the clean-energy power generation businesses such as solar power, and actively look into different investment opportunities, to selectively develop clean energy projects related to wind power, biomass power and small and medium hydro power. We are confident that the Group will achieve its goal of becoming an international innovative clean energy company in the future.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2015.

ACKNOWLEDGEMENT

The management is taking all their efforts to turn the Group back to profit situation as its main task. I would like to express my sincere thanks to all our shareholders, investors, bankers, business associates and customers for their supports to the Group, and my cordial respect to those who have contributed to, and showed determination in leading, the historical development and transformation of the Group. I would also like to express my sincere thanks to all our directors, senior management and staff for the contributions. In 2015, I hope all of you will work together with our Group to achieve new development and create a brilliant future.

Wang Hao
Chairman

Hong Kong, 19 June 2015

EXECUTIVE DIRECTORS

Mr. Wang Hao, aged 51, was appointed as an Executive Director, the Chief Executive Officer and the Chairman of the Company on 11 March 2015. He is also a member and the chairman of the Nomination Committee of the Company. Mr. Wang holds a bachelor of economics degree majoring in economic management and a master's degree in business administration. He has been engaged as a director and investment consultant of several listed companies in the PRC and has extensive experience in serving the statistical investigation institutions, financial institutions and investment and asset management companies in the PRC for almost 30 years. Since 2006, Mr. Wang primarily engage in new energy investment and management. Mr. Wang was an executive director and member of Executive committee of China Power New Energy Development Company Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 735) from 4 February 2002 to 20 March 2015.

Mr. Lai Leong, aged 50, was appointed as an executive Director, Chairman of the Board and Chief Executive Officer of the Company on 6 August 2013. He was a member and the chairman of the Nomination Committee of the Company. On 11 March 2015, Mr. Lai resigned as a Chairman of the Board and the Chief Executive Officer of the Company and ceased to be a member and the chairman of Nomination Committee of the Company. Mr. Lai received an MBA degree from the Maastricht School of Management in the Netherlands in 2005. Since 1991, he has worked for several property and trading companies in Mainland China and has over 24 years of experience in property investment, development and management and in corporate management for companies in Hong Kong and in Mainland China. Mr. Lai was an executive Director, a Chairman of the Board and Chief Executive Officer of the Company from 31 August 2007 to 15 March 2010.

Mr. Lai is a director of certain subsidiaries of the Company. He is also a director and beneficial owner of Oriental Day International Limited the controlling shareholder of the Company.

Mr. Lam Kwan Sing, aged 45, was appointed as an executive Director on 1 August 2010. He is also a director of certain subsidiaries of the Company. Mr. Lam was graduated from the City University of Hong Kong with a degree in Bachelor of Arts in Accountancy. He has more than 17 years of experience in the commercial and corporate finance field. Mr. Lam is currently a director of China Natural Resources, Inc., a company listed on NASDAQ since 2003. Mr. Lam is currently also an independent non-executive director of Hao Tian Resources Group Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 474). He was an executive director and Chief Executive Officer of Enterprise Development Holdings Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 1808) from February 2012 to May 2015.

Mr. Wong Nga Leung, aged 37, was appointed as an executive Director on 26 October 2011. Mr. Wong graduated from the University of New South Wales, Sydney with a Master of Commerce and Bachelor of Commerce. Mr. Wong has extensive experience in the private equity, commercial and corporate finance field. He is also a Chartered Financial Analyst. Before joining our Company, Mr. Wong worked in various international investment banks.

Mr. Hon Ming Sang, aged 36, was appointed as an independent non-executive Director on 3 August 2012 and re-designated from independent non-executive Director to an executive Director and the company secretary of the Company on 31 December 2012. Mr. Hon graduated with an honor degree of Professional Accountancy in the School of Accountancy from the Chinese University of Hong Kong. He is a CFA charter, a member of the Hong Kong Society of Financial Analysts, a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators. Mr. Hon has previously worked in an international audit firm and has several years of working experience in listed companies and financial institutions. He has extensive experience in corporate finance, merger and acquisition, investment and financial management and compliance services. Mr. Hon was an executive director, financial controller and qualified accountant of Carnival Group International Holdings Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 996) from January 2010 to January 2014.

Mr. Zhou Chengrong, aged 48, was appointed as an executive Director on 23 September 2014. He is also a director of certain subsidiaries of the Company. Mr. Zhou holds the Bachelor of Economics（經濟學學士學位）of The Shi Jia Zhuang University of Economics（石家莊經濟學院）, the People's Republic of China (the "**PRC**"), previously known as Hebei Geography College（河北地質學院）. He is the member of the Chinese Institute of Certified Public Accountants（中國註冊會計師協會）and a senior accountant（高級會計師）of Shanghai Institute of Certificate Public Accountants（上海市註冊會計師協會）and has the qualification of speciality and technology（專業技術資格）in the area of real estate economy（房地產經濟）with intermediate level（中級）. Mr. Zhou has experience in accounting field for more than 14 years and has worked for property investment companies and financial investment companies and companies engaged in the energy sector in the PRC. Prior to joining the Company, Mr. Zhou has been working for an energy technology company engaged in the investment; manufacturing of solar parts including silicon wafers, solar batteries, etc, and construction and management of solar plants. Mr. Zhou was an executive director of Carnival Group International Holdings Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 996) from 8 June 2011 to 28 March 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fok Ho Yin, Thomas, aged 44, was appointed as an independent non-executive Director on 31 August 2007. He is also the chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Fok had worked in the Listing Division of the Hong Kong Stock Exchange and has over 19 years of experience in the field of corporate finance and, in particular, in equity financing and financial restructuring. Mr. Fok is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia. He is also a Chartered Financial Analyst. Mr. Fok is currently also an executive director of Jian ePayment Systems Limited (a company listed on the growth enterprise market of the Hong Kong Stock Exchange, stock code: 8165), and an independent non-executive director of Landing International Development Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 582).

Mr. Tsui Ching Hung, aged 62, was appointed as an independent non-executive Director on 31 August 2007. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Tsui holds a Master of Science degree in Polymer Science and a Master of Business Administration degree from University of Aston and University of Warwick in the United Kingdom respectively. He has extensive experience in senior management positions of several multinational corporations in Hong Kong. Mr. Tsui is currently also an executive director of CST Mining Group Limited (a company listed on the main board of the Hong Kong Stock Exchange, stock code: 985). Mr. Tsui was an non-executive director of G-Resources Group Limited (a company listed on the main board of Hong Kong Stock Exchange, stock code: 1051) from July 2009 to December 2012.

Ms. Cheung Oi Man, Amelia, aged 62, was appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 31 December 2012. Ms. Cheung qualified as a solicitor in 1976 and has been in private practice in Hong Kong for about 31 years. She holds a Master of Laws degree (specializing in economic law) from Peking University, PRC. Ms. Cheung is also a China-Appointed Attesting Officer and an accredited mediator. She has substantial experience in corporate and financial matters. Ms. Cheung is currently the principal of Messrs. Amelia Cheung & Co., Solicitors.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover by Business Segments

Ratio analysis by business segments for the Group's turnover for the year ended 31 March 2015 is as follows:

- Clean Energy Business: approximately HK$14,356,000, 7.10% of turnover (2014: HK$Nil, 0%)
- Trading in securities: approximately HK$178,369,000, 88.10% of turnover (2014: HK$3,079,000, 25%)
- Investments: approximately HK$1,560,000, 0.77% of turnover (2014: HK$1,872,000, 15%)
- Trading of fur skins: approximately HK$Nil, 0% of turnover (2014: HK$Nil, 0%)
- Trading of fur garment: approximately HK$8,125,000, 4.03% of turnover (2014: HK$7,322,000, 60%)
- Mining: approximately HK$Nil, 0% of turnover (2014: HK:Nil, 0%)

Turnover by Geographical Region

Ratio analysis by geographical region for the Group's turnover for the year ended 31 March 2015 is as follows:

- Mainland China and Hong Kong: approximately HK$202,410,000, 100% of turnover (2014: HK$12,273,000, 100%)
- Other regions: approximately HK$0, 0% of turnover (2014: HK$Nil, 0%)

BUSINESS REVIEW

Clean Energy Business

On 27 March 2014, the Group acquired 51% equity interest in Jilin Hareon Electric Development Company Limited 吉林海潤電力技術開發有限公司 ("JHED") from an independent third party for the purpose of investing into a solar energy business at a consideration of RMB510,000 (HK$638,000). JHED was established on 22 November 2013 and is a project company for the development of the 40MW photovoltaic power generation plant in Taonan, Jilin, the PRC.

On 31 October 2014, the Group entered into an agreement with an independent third party ("the Vendor") for the purpose to acquire the entire equity interest in Jinchang Guoyuan Photovoltaic Company Limited 金昌國源電力有限公司 and the relevant shareholder's loans at an aggregate consideration of HK$500,000,000. The consideration will be satisfied as to HK$100,000,000 by the allotment and issue of the Company's shares and as to the balance payable in cash or by issue of loan note to the Vendor. After signing the said agreement, the Company had paid a deposit of HK$100 million to the Vendor, which is refundable if this acquisition cannot be completed. This acquisition is yet to complete. Details of this acquisition are disclosed in the announcement issued by the Company on 4 November 2014, 26 February 2015 and 30 April 2015.

On 17 February 2015 the Group, completed its first acquisition of the solar energy projects in Jinchang, Gansu Province which consists of two solar power stations that have an aggregate production capacity of 100MW. Since completion, the Jinchang Projects have contributed HK$14,356,000 approximately 16,797,000 kilowatt hour(s) ("KWh") sales and a profit of HK$283,451,000 for the year, which was mainly due to gain on bargain purchase of subsidiaries.

The Group established in February 2015 a 95%-owned subsidiary, Baotou Chaoyang Photovoltaic Company Limited* 包頭超陽光伏電力有限公司 ("Baotou Chaoyang") in Baotou, Inner Mongolia. The remaining 5% equity interest in Baotou Chaoyang is held by an independent third party. Baotou Chaoyang has a registered share capital of RMB1 million and seeks to build and operate a 100MW solar power plant project located at Guyang County, Baotou, Inner Mongolia（內蒙自治區包頭市固陽縣）. This project has been accepted for filing by Baotou City Development and Reform Commission（包頭市發展和改革委員會）, after which the project company may proceed to prepare the feasibility reports for the project and thereafter to apply for the relevant regulatory authorisations and licences necessary for the construction of the plant and in due course secure an appropriate EPC contractor.

On 17 June 2015, the Tianhe Smarter Energy Company Limited* 天合智慧能源有限公司, ("Tianhe Smarter Energy") (which is wholly-owned by the Company) entered into the acquisition agreement to acquire, from the Shanghai Hua Xing Electronic Company Limited* 上海華星電器有限公司 ("Vendor") 100% equity interest in Shanghai Xin Lan Electric Company Limited* 上海昕嵐電力有限公司 ("Shanghai Xin Lan") which holds directly and indirectly (through its wholly-owned subsidiary), three distributed solar power projects for which "filing for record" has been accepted by the relevant local Development and Reform Commission. Shanghai Xin Lan and its subsidiary holds (i) two distributed solar power projects (of 3 MW and 5 MW respectively) in Shanghai which are under construction; (ii) one distributed solar power project in Dezhou, Shandong (of up to 11 MW) for which filing for record has been accepted by the local Development and Reform Commission for its first phase (of 5.5 MW). The total contract sum under contracts for EPC works (and related materials and equipments procurement) that have been signed by Shanghai Xin Lan and/or its subsidiary is approximately RMB157.2 million, subject to further due diligence.

In addition, Tianhe Smarter Energy also entered into a cooperation framework agreement with the Vendor, Shanghai Zhu An Construction Services Company Limited* 上海築安建設工程有限公司 ("Shanghai Zhu An") in relation to the Vendor, companies that are controlled by the Vendor or the majority shareholder of the Vendor, who is an Independent Third Party ("affiliate") (an affiliate of the Vendor) in relation to the future cooperation between them with respect to future distributed solar power projects that the Vendor may assist Shanghai Xin Lan to source and for which Shanghai Zhu An may be appointed as the main EPC contractor.

On 3 June 2015, Tianhe Smarter Energy and Jinhua 658 Investment Management Company Limited 金華658投資管理有限公司 ("658") entered into an agreement to establish a joint venture, Shangai Tianhe Smarter Energy Technology Company Limited* 上海天合智慧能源科技有限公司, a 51% – owned subsidiary of the Company established in PRC ("Shanghai Tianhe"), in Shanghai, the People's Republic of China (the "PRC"). 658 is a third party independent from the Company and its connected persons.

658's business includes Internet finance, investment in new energy equity and merger and acquisition, private placement, stock investment, etc. Its headquarters is located in Jinhua. 658 also has offices in Shanghai, Beijing, Hangzhou, Hong Kong, Tokyo, etc., and has an established professional team, the members of which are from a range of well-known bodies such as Internet companies, security brokers, regulatory agencies and fund managers. Through its dedicated efforts in online finance, 658 has established a safe, efficient, trustworthy, transparent and comprehensive online financial platform.

Shanghai Tianhe, the registered capital of which is RMB10,000,000, is held as to 51% by Tianhe Smarter Energy through cash contribution of RMB5,100,000, with the remaining 49% interests held by 658 through cash contribution of RMB4,900,000.

As the Company's first step into the smart energy Internet sector, Shanghai Tianhe is mainly engaged in "Internet Finance Plus Smart Energy", and aims to develop an internet based financing platform for offline smart energy projects through crowdfunding, asset backed and finance lease financing structures, with a view to diversifying the sources of financing for projects in the smart energy sector. Looking forward, the Company will increase its investment in smarter energy Internet sector, focusing on making it one of the core businesses of the Company.

Investment Business

Trading in securities

During the year, turnover from trading of securities was HK$178,369,000, compared with last year HK$3,079,000 (restated), representing a significant increase in sales by 5,693%. Profit of HK$175,837,000 was recorded from this sector during the year as compared to a record of HK$2,569,000 (restated) last year representing an increase by 6.744%. The profit was mainly due to a record of significant increase in unrealized gain on investments in listed financial assets at fair value through profit and loss. We hope we could keep on maintaining good satisfactory return in this part of business in 2015.

Investments

The Group's turnover in investments was HK$1,560,000 during the year, compared with the last year HK$1,872,000 (restated). Losses of HK$3,468,000 was recorded during the year as compared to a record of profit of HK$1,100,000 last year. The loss was mainly due to the increase in administrative expenses of the Group in this sector.

Fur Business

Trading of Fur Garment

During the year, a turnover of HK$8,125,000 was recorded for the sale of fur garment, representing an increase of 11% as compared to last year's turnover of HK$7,322,000. The company recorded a loss of HK$7,584,000 for the year, as compared to the loss of HK$8,807,000 for the last year, there was a decrease of 13.9%. The decrease in loss was mainly due to increase in turnover. We will continue to improve our marketing network and sales channels in this sector and at the same time implement tighter cost control in our marketing expenses.

Trading of Fur Skins

Even though there was no turnover in the trading of fur skin during the year, being the same as last year, a profit of HK$746,000 was recorded compared to the loss of HK$168,000 last year. The profit was mainly due to the compensation income from a skin trading customer.

Mining business

As with the last financial year, our mining business of the group has not started contributing revenue during the year. However a loss of HK$668,104,000 was recorded in this sector during the year, compared to a loss of HK$136,094,000 last year, representing an increase of loss by 390.9%. The significant loss was mainly attributable to impairment loss of HK$665,334,000 on the fair value of the mining rights in the Vanadium Mine held on the Group as at 31 March 2015 based on a valuation by an independent valuer BMI Apprasials Limited ("BMI"), described further below. The reduction in valuation of the mining right this year and the last few years was mainly due to the continued steep decline of vanadium price, as follows:

Market price of V_2O_5 as at 31 March 2012	about RMB78,000/metric tonne
Market price of V_2O_5 as at 31 March 2013	about RMB73,000/metric tonne
Market price of V_2O_5 as at 31 March 2014	about RMB69,000/metric tonne
Market price of V_2O_5 as at 31 March 2015	about RMB55,000/metric tonne

The reserves of the Vanadium Mine according to the Chinese Mineral Resource/Reserve Classification as included in the Circular of the Company dated 26 February 2008 was as follows:

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

The reserves of the Vanadium Mine as at 31 March 2015 remains unchanged since the acquisition in April 2008 (being 300,761 metric tonnes of V_2O_5), given that no material extraction was done, due to the delay in the development of the mine as a result of decline in V_2O_5 selling price since 2008.

In view of the depressed market price of vanadium, commencement of the first stage of production (envisaged at the time of acquisition of the vanadium Mine to take place in 2009) be deferred to 2017. Actual operation and developments will remain dependent on, and subject to revision, based on management's analysis of the market price of V_2O_5 and its stability, the rate and period of return of the projects and the risks of investment in and development of the mine.

PROSPECTS

Clean Energy Business

Since 2013, China's policy-makers have issued various policies to support the development of clean energy, of which, in particular, encouraging the transferring from concentrated development to distributed development will introduce a new development opportunity for clean energy. As the most established and promising technology for distributed clean energy, solar power will step into a new stage of development. A wave of investment boom in solar power is arising in PRC.

In 2015, China's policy-makers have put forward the "Internet Plus" action plan in an effort to facilitate the transformation and upgrade of traditional industries, which provides development opportunities for the energy internet sector. Preparation of the "National Action Plan for Energy Internet Sector" led by the National Energy Administration has commenced. The Plan is expected to be rolled out in 2015. The Group seizes industrial development opportunities and actively explore and engage in the energy internet sector. The energy internet sector is set to be a growth highlight in the Group's future business development. To explore a diversified Internet financial platform for clean-energy power generation projects, we have recently established with an independent third party a joint venture, Shanghai Tianhe Smarter Energy Technology Company Limited 上海天合智慧能源科技有限公司 in which we own 51% equity interests. In the future, the Group will selectively expand into business segments related to the energy internet sector such as fuel-efficient and new energy automobile, energy storage, cloud platform and big data. We believe that the business will bring broad development space for the Group.

The 2014/2015 financial year marked a fresh start for the Group's energy internet business and the clean-energy power generation businesses. In the coming financial year, the Group will continue to focus on the developing its energy internet business and the clean-energy power generation businesses such as solar power, and actively look into different investment opportunities, to selectively develop clean energy projects related to wind power, biomass power and small and medium hydro power. We are confident that the Group will achieve its goal of becoming an international innovative clean energy company in the future.

Investment Business

In USA, the Federal Reserve is trying to tighten its quantitative easing policy by increasing the interest rate and in Europe, the economy is still in recovery stage.

In view of the above situation, 2015 is really a challenging year for us in the investment sector and we are looking forward to have conservative investment in 2015.

Fur Business

Trading of Fur Garment

Despite encountering tough trading environments in this sector of business for the fiscal year of 2014, we have been able to successfully and progressively establish our marketing channels in the PRC, covering cities in the northern-east, northern-west and southern parts of China, and Hong Kong. We were able to use different modes of operations in the form of consignments, OEM and were able to advance into various well-known department stores and outlets including Lane Crawford, Harvey Nichols, Sogo, New World Department Stores, The Stairs, and seasonal outlets and counters to sell our garment products. After much effort from our marketing team, we have also gradually and successfully promoted our own brand "Lecothia" and will continue to put more resources and effort in this direction. 2015 is expected be another challenging year for this sector of business as tougher government expenditure and low GDP growth will continue to prevail in the present and future of the PRC which is our major market place, but fortunately due to the revival of the equity market in both the PRC and Hong Kong, buying sentiments are expected to improve. This will hopefully in turn allow profits made in the equity market be converted into stronger purchasing power for luxury goods, thus benefiting companies such as ours and allow us to capture this window of opportunity in 2015.

Trading of Fur Skins

International fur skin auction prices have been trading at comparatively low prices, thus reflecting the slow demand in major markets that include China, Europe and Russia. In February 2015, the auction prices rebounded by about 5%, and though it was not a significant increase, it nevertheless indicates that prices may be bottoming out. Therefore, we believe that with due caution and careful hedging against further fluctuation, there is a possibility that we will resume our operations in this sector.

Mining Business

China is confronting a deflation of the property bubble and rapid drop in steel consumption which are reflected in a drop in housing and steel prices. The selling price of Vanadium that is used in refining of steel has inevitably continued to decline, Vanadium Pentoxide was about RBM69,000/MT as at 31 March 2014 and dropped to around RMB55,000/MT in 31 March 2015. As a result, our development works in vanadium mine site which has been limited to minimal preparation works for future production should vanadium price could rise to a level where production could become profitable for the Group, as we do not anticipate such rebound to take place in the mining business.

OPERATING AND ADMINISTRATIVE EXPENSES

For the year ended 31 March 2015, the amount of operating and administrative expenses was approximately HK$61,025,000 (2014: HK$23,206,000). The increase in operating and administrative expenses was mainly due to the increase in legal and professional fee, staff salaries, depreciation, amortisation of intangible assets and rental expenses during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally derives cash for operation from internal cash flow from banks in Hong Kong and PRC. As at 31 March 2015, the Group had time deposit and cash and bank balances of approximately HK$138,008,000 (2014: HK$20,465,000). As at 31 March 2015, the Group's interest bearing borrowings (including margin loan payable, other loans, bank loans, convertibles notes and convertible bonds) amounted to approximately HK$1,412,590,000 (2014: HK$37,827,000). Shareholders' funds amounted to approximately HK$951,331,000 (2014: HK$780,607,000). Accordingly, the gearing ratio (as calculated in note 41 to the financial statements) was 134.0% (2014: 2.2%).

As at 31 March 2015, the Group had net current assets of approximately HK$582,976,000 (2014: HKD45,436,000) and current ratio (being current assets over current liabilities) of 15 (2014: 2).

CAPITAL STRUCTURE

On 12 September 2014, the Company issued convertible bonds to Shanghai Electric Hongkong Co. Limited, an independent third party, in the principal amount of HK$700,000,000 which are convertible into 206,489,675 new Shares at the initial conversion price of HK$3.39 (subject to adjustment). The convertible bonds bear interest at 3 months HIBOR plus 5.5% per annum payable quarterly with maturity date on the 716th day after the date of first issue of convertible bonds. As disclosed in the Company's announcement dated 8 October 2014, a put event has occurred pursuant to the terms and conditions of the convertible bonds, and the Company has the right to issue conversion shares in satisfaction of its obligations to repay or redeem at face value all or part of the outstanding convertible bonds during the 90 day period from the first anniversary of the date of the initial issue date of the convertible bonds. The effective interest rate of the liability component is 9.91% per annum.

The share subdivision of every existing issued and unissued share of par value of HK$0.01 each in the share capital of the Company into four subdivided shares of par value of HK$0.0025 each was effective from 19 December 2014.

The conversion price of the bonds was adjusted to HK$0.8475 per share with effect from 19 December 2014 as a result of the share subdivision. The Company may issue 825,958,700 conversion shares to redeem at fair value all of the outstanding convertible bonds during the 90 day period from the first anniversary of the date of the initial issue date of the convertible bonds.

The above convertible bonds were split into liability, derivative and equity components upon initial recognition by recognising the liability components and derivative components at their fair value and attributing to the equity components the residual amount. The liability component is subsequently carried at amortised cost while the derivative component is carried at fair value to be remeasured at the end of each reporting period. The equity component is recognized in the convertible bonds equity reserve. The fair value of the liability component upon the issuance was calculated at the present value of the estimated interest payments and principal amount. The fair values of the convertible bonds were determined as of the date of issue and 31 March 2015 by reference to value performed by an independent firm of professionally qualified valuers, Eidea Professional Services Company Limited.

Time deposit and cash and bank balances include the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	2015	2014
	HK$'000	*HK$'000*
Euro	**46**	52
United States dollars	**1,305**	302
Canadian dollars	**37**	–
Danish Krone	**20**	20
Yen	**63**	–

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. Net debt includes interest-bearing bank and other borrowings, less time deposit and cash and bank balances and excludes discontinued operations. Capital includes equity attributable to equity holders of the Company. The gearing ratio of the Group as at the end of the reporting periods was as follows:

	2015	2014
	HK$'000	*HK$'000*
Borrowings		
Margin loan payable	**–**	10,326
Other loans	**7,497**	27,501
Bank loans	**741,847**	–
Convertible bonds	**663,246**	–
Total borrowings	**1,412,590**	37,827
Less: time deposit and cash and bank balances	**(138,008)**	(20,465)
Net debt	**1,274,582**	17,362
Total equity	**951,331**	780,607
Gearing ratio	**134.0%**	2.2%

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

Details in the changes of the capital structure of the Group held as at 31 March 2015 are set out in note 30, 31, 32, 33, 35 and 40 to the financial statements.

CHARGES ON ASSETS

Details of margin loan, other loans, bank loans, convertible notes and convertible bonds are set out in notes 30, 31, 32 and 33 respectively to the financial statements.

No assets of the Group and the Company had been pledged to secure the above bank and other borrowings at 31 March 2015. At 31 March 2014, the Group and the Company had pledged certain financial assets at fair value through profit or loss held under the margin account to secure the margin loan payable of HK$10,326,000.

FOREIGN EXCHANGE EXPOSURE

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

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS

There was no significant investment held by the Group as at 31 March 2015.

Details of significant investments in subsidiaries held by the Group as at 31 March 2015 are set out in note 18 and 39 to the financial statements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES OR ASSOCIATED COMPANIES

Very Substantial Acquisition in relation to the Acquisition of Rander International Limited

On 28 January 2014, Surplus Basic Limited (the "Purchaser") and Linkage Group Limited (the "Vendor") entered into a non-legally binding memorandum of understanding in relation to the proposed acquisition, directly or indirectly, of the entire equity interest in Jinchang Jintai Photovoltaic Company Limited* 金昌錦泰光伏電力有限公司. On 27 May 2014, the Purchase and the Vendor entered into the acquisition agreement ("SPA") of the acquisition of 100% interest in Rander International Limited and its subsidiaries ("Rander International"). Under the SPA, the total consideration for the acquisition of Rander International and the related shareholder loans is to be HK$620,000,000, of which HK$310,000,000 is to be settled by the issue and allotment of 336,956,522 new shares (the "Consideration Shares") of HK$0.01 each in the share capital of the Company at an issue price of HK$0.92 per Consideration Share and HK$310,000,000 in cash.

On 10 December 2014, the Vendor, the Purchase and Mr. Xu Hua David ("Mr. Xu") entered into the second supplemental agreement to adjust the aggregate consideration under the SPA to HK$500,000,000 (subject to upward adjustment of not exceeding RMB100 million on a dollar for dollar basis by the amount of which the valuation of the enterprise value of Jinchang Jintai exceeding RMB1,000,000,000). Such consideration is to be paid as to HK$100 million in cash as refundable deposit, as to HK$240 million by the issue and allotment of 260,869,565 shares of the Company at HK$0.92 each, and as to the balance in cash. It was noted that the adjusted consideration is to be HK$562,000,000.

To take into account the effect of the Company's share subdivision of every issued and unissued share of par value of HK$0.01 each in the share capital of the Company into four subdivided shares of par value of HK$0.0025 each which became effective on 19 December 2014. On 30 December 2014, the Vendor, the Purchase and Mr. Xu entered into the supplemental agreement to adjust the issue price per consideration share from HK$0.92 per share to HK$0.23 per share of the Company of par value of HK$0.0025 each, and the number of consideration shares from 260,869,565 shares of HK$0.01 each to 1,043,478,260 shares of HK$0.0025 each.

On 17 February 2015, all the conditions precedent to the acquisition had been fulfilled and the completion which was passed by poll results of Special General Meeting held on 16 January 2015. As a result of the Completion, the Company had allotted and issued 1,043,478,260 consideration shares to the Vendor, representing approximately 14.9% of the issued share capital of the Company as enlarged by the allotment and issue of the consideration shares.

Following completion, the Rander International has become an indirect wholly-owned subsidiary of the Company and the financial results of the Rander International and its subsidiaries will be consolidated into the Group.

Major Transaction in relation to the Acquisition of Incentive Power Limited

On 31 October 2014, the Group entered into an agreement with an independent third party ("the Vendor") for the purpose to acquire the entire equity interest in Jinchang Guoyuan Photovoltaic Company Limited 金昌國源電力有限公司 and the relevant shareholder's loans at an aggregate consideration of HK$500,000,000. The consideration will be satisfied as to HK$100,000,000 by the allotment and issue of the Company's shares and as to the balance payable in cash or by issue of loan note to the Vendor. After signing the said agreement, the Company had paid a deposit of HK$100 million to the Vendor, which is refundable if this acquisition cannot be completed. This acquisition is yet to complete. Details of this acquisition are disclosed in the announcement issued by the Company on 4 November 2014, 26 February 2015 and 30 April 2015.

POST BALANCE SHEET EVENT

- *Distributed solar power projects* – On 17 June 2015, Tianhe Smarter Energy (which is wholly-owned by the Company) entered into the acquisition agreement to acquire, from the Vendor 100% equity interest in Shanghai Xin Lan which holds directly and indirectly (through its wholly-owned subsidiary), holds three distributed solar power projects for which "filing for record" has been accepted by the relevant local Development and Reform Commission. Shanghai Xin Lan and its subsidiary holds (i) two distributed solar power projects (of 3 MW and 5 MW respectively) in Shanghai which are under construction; (ii) one distributed solar power project in Dezhou, Shandong (of up to 11 MW) for which filing for record has been accepted by the local Development and Reform Commission for its first phase (of 5.5 MW). The total contract sum under contracts for EPC works (and related materials and equipments procurement) that have been signed by Shanghai Xin Lan and/or its subsidiary is approximately RMB157.2 million, subject to further due diligence.

  In addition, Tianhe Smarter Energy also entered into a cooperation framework agreement with the Vendor, Shanghai Zhu An (an affiliate of the Vendor), in relation to the future cooperation between them with respect to future distributed solar power projects that the Vendor may assist Shanghai Xin Lan to source and for which Shanghai Zhu An may be appointed as the main EPC contractor.

- *Online financial platform* – On 3 June 2015, Tianhe Smarter Energy and Jinhua 658 Investment Management Company Limited 金華658投資管理有限公司 ("658") entered into an agreement to establish a joint venture, Shanghai Tianhe, in Shanghai, the People's Republic of China (the "PRC"). 658 is a third party independent from the Company and its connected persons.

  658's business includes Internet finance, investment in new energy equity and merger and acquisition, private placement, stock investment, etc. Its headquarters is located in Jinhua. 658 also has offices in Shanghai, Beijing, Hangzhou, Hong Kong, Tokyo, etc., and has an established professional team, the members of which are from a range of well-known bodies such as Internet companies, security brokers, regulatory agencies and fund managers. Through its dedicated efforts in online finance, 658 has established a safe, efficient, trustworthy, transparent and comprehensive online financial platform.

  Shanghai Tianhe, the registered capital of which is RMB10,000,000, is held as to 51% by Tianhe Smarter Energy through cash contribution of RMB5,100,000, with the remaining 49% interests held by 658 through cash contribution of RMB4,900,000.

EMPLOYEES

As at 31 March 2015, the Group employed around 66 employees in Hong Kong, Macau and Mainland China (31 March 2014: 50). The Group's remuneration policies are based primarily on the prevailing market rate and the performance of individual employees. Fringe benefits, including Mandatory Provident Fund, medical benefits and training are provided. The Group has also established a discretionary bonus scheme for its management and staff with awards determined annually based upon the performance of the Group and individual employees.

CONTINGENT LIABILITIES

At 31 March 2015 and 2014, the Group did not have any significant contingent liabilities.

At 31 March 2015, the Company has issued a single guarantee of RMB598,000,000 (HK$746,847,200) to a bank in respect of the loans granted by the bank to a wholly-owned subsidiary of the Company (note 31).

The Company has not recognised any deferred income in respect of the single guarantee as its fair value cannot be reliably measured using observable market data and its transaction price was HK$Nil.

The Board of the Company believes that good corporate governance practices are increasingly important for maintaining and promoting shareholder value and investor confidence. The Board sets appropriate policies and implements corporate governance practices which are considered appropriate to the conduct and growth of the Group's business.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of all the applicable code provisions of the Code on Corporate Governance Practices (the "Code on CGP") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. During the year ended 31 March 2015, the Company was in compliance with all code provisions set out in the Code on CGP except for the deviations from code provisions A.2.1, A.4.1, A.4.2 and E.1.2 of the Code on CGP, which are explained below.

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

   Mr. Lai Leong was appointed as an Executive Director and was elected Chairman of the Board on 6 August 2013. On 11 March 2015, Mr. Lai Leong was resigned as the Chairman of the Board and Mr. Wang Hao was appointed as an Executive Director and was elected Chairman of the Board.

   Upon their appointment as the Chairman of the Board, they also takes up the role of the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman of the Board and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as the execution of long-term business strategies. The Board considers that such an arrangement will not impair the balance of power and authority between the Board and the management of the Company.

2. Code provision A.4.1 of the Code on CGP requires the non-executive directors should be appointed for a specific term and subject to re-election. During the year ended 31 March 2015, the terms of appointment of the three independent non-executive Directors expired and thereafter they are not appointed for a specific term, but they are subject to the retirement by rotation and re-election at the Company's annual general meeting at least once every three years in accordance with the Company's bye-laws (the "Bye-Laws").

3. Code provision A.4.2 of the Code on CGP requires every director, including those appointed for a specific term, to be subject to retirement by rotation at least once every three years. Pursuant to the Bye-Laws, all directors, excluding the Chairman of the Board, shall retire from office by rotation at least once every three years. The Board considers that, though there is a deviation from the code provision A.4.2 of the Code on CGP, the aforementioned provision in the Bye-Laws is appropriate to the Company since the continuous leadership by the Chairman of the Board allows for effective and efficient planning and implementation of business decisions and strategies which is significant for stability and growth of the Group.

4. The Code Provision E.1.2 of the Code on CGP requires the Chairman of a listed issuer should attend the issuer's annual general meeting. Mr. Lai Leong, the Chairman of the Board, was unable to attend the Company's 2014 AGM as he had another important business engagement. Despite his absence, he had arranged for Mr. Lam Kwan Sing, the Company's executive director who is well versed in all the business activities and operations of the Group, to attend and chair the meeting and communicate with the shareholders. All the other members also attended the 2014 AGM to give shareholders an opportunity of having a direct dialogue with the Board members.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Code on CGP during the year ended 31 March 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2015.

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

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

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of nine Directors including six executive Directors and three independent non-executive Directors:

Executive Directors

Mr. Wang Hao *(Chairman & Chief Executive Officer) (Appointed on 11 March 2015)*
Mr. Lai Leong
Mr. Kong Shan, David *(Resigned on 11 March 2015)*
Mr. Lam Kwan Sing
Mr. Wong Nga Leung
Mr. Hon Ming Sang
Mr. Zhou Chengrong *(Appointed on 23 September 2014)*

Independent Non-Executive Directors

Mr. Fok Ho Yin, Thomas
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership. The biographical information of the Directors are set out on pages 5 to 6 under the section headed "Biographies of Directors".

In addition, the Directors have followed the guidelines set out in the guidelines set out in"A Guide on Directors' Duties" and "Guide for Independent Non-Executive Directors" (if applicable) issued by the Companies Registry and "Guidelines for Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications of the Company.

Directors' Training

According to the code provision A.6.5 of the Code on CGP, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

All Directors have participated in continuous professional development by way of receiving in-house briefing, taking part in training relating to the Listing Rules and corporate governance matters or attending seminars relating to their role as a director of listed issuer. Each of the Directors has provided a record of training they received for the financial year ended 31 March 2015 to the Company.

Chairman and Chief Executive Officer

Mr. Wang Hao was appointed as the Chairman of the Board of the Company in place of Mr. Lai Leong on 11 March 2015. Upon their appointment as the Chairman of the Board, they also takes up the role of the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman of the Board and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as the execution of long-term business strategies. The Board considers that such an arrangement will not impair the balance of power and authority between the Board and the management of the Company.

Corporate Governance Report

Non-executive Directors

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting, finance and law. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his/her independence to the Company, and the Company considered each of them is independent under Rule 3.13 of the Listing Rules. During the year ended 31 March 2015, all the independent non-executive Directors of the Company are not appointed for a specific term, but they are subject to retirement by rotation and re-election by shareholders at annual general meeting pursuant to the Bye-Laws.

Board Diversity Policy

The Board has adopted a Board Diversity Policy on 22 November 2013 (the "Policy") which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee will discuss and review the measurable objectives for implementing the Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

Board Meetings

The Board has four scheduled meetings a year at approximately quarterly interval and additional meetings will be held as and when required. The four scheduled Board meetings for a year are planned in advance. During the regular meetings of the Board, the Board reviewed the operation and financial performance and reviewed and approved the annual and interim results. During the year ended 31 March 2015, the Board held 12 meetings. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

Name of Directors	Number of attendance
Executive Directors	
– Mr. Wang Hao *(Chairman & Chief Executive Officer)* *(Note 1)*	0/12
– Mr. Lai Leong *(Note 2)*	12/12
– Mr. Kong Shan, David *(Note 3)*	9/11
– Mr. Lam Kwan Sing	12/12
– Mr. Wong Nga Leung	12/12
– Mr. Hon Ming Sang	12/12
– Mr. Zhou Chengrong *(Note 4)*	8/8
Independent Non-executive Directors	
– Mr. Fok Ho Yin, Thomas	12/12
– Mr. Tsui Ching Hung	12/12
– Ms. Cheung Oi Man, Amelia	12/12

Notes:

1. Mr. Wang Hao was appointed as an Executive Director, Chairman of the Board and Chief Executive Officer of the Company, a member and the chairman of the Nomination Committee on 11 March 2015, and no Board meetings were held after his appointment.

2. Mr. Lai Leong resigned as the Chairman of the Board and Chief Executive Officer of the Company, a member and the chairman of the Nomination Committee on 11 March 2015. He remains as an Executive Director of the Company, and 12 Board meetings were held before his resignation of the Chairman.

3. Mr. Kong Shan, David resigned as an Executive Director on 11 March 2015, and 11 Board meetings were held before his resignation.

4. Mr. Zhou Chengrong was appointed as an Executive Director on 23 September 2014, and 8 Board meetings were held after his appointment.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

Appropriate insurance cover has been arranged by the Company in respect of relevant actions against its Directors.

General Meetings

During the year ended 31 March 2015, 4 general meetings of the Company, being 2014 annual general meeting ("2014 AGM") was held on 20 June 2014, and 3 special general meetings were held on 18 December 2014, 16 January 2015 and 9 February 2015 respectively.

Name of Directors	Number of attendance
Executive Directors	
– Mr. Wang Hao *(Chairman & Chief Executive Officer)* *(Note 1)*	N/A
– Mr. Lai Leong *(Note 2)*	0/4
– Mr. Kong Shan, David *(Note 3)*	2/2
– Mr. Lam Kwan Sing	4/4
– Mr. Wong Nga Leung	4/4
– Mr. Hon Ming Sang	4/4
– Mr. Zhou Chengrong *(Note 4)*	1/3
Independent Non-executive Directors	
– Mr. Fok Ho Yin, Thomas	3/4
– Mr. Tsui Ching Hung	4/4
– Ms. Cheung Oi Man, Amelia	4/4

Notes:

1. Mr. Wang Hao was appointed as an Executive Director, Chairman of the Board and Chief Executive Officer of the Company, a member and the chairman of the Nomination Committee on 11 March 2015, and no general meetings were held after his appointment.

2. Mr. Lai Leong resigned as the Chairman of the Board and Chief Executive Officer of the Company, a member and the chairman of the Nomination Committee on 11 March 2015. He remains as an Executive Director of the Company, and 4 general meetings were held before his resignation of the Chairman.

3. Mr. Kong Shan, David resigned as an Executive Director on 11 March 2015, and 2 general meetings were held before his resignation.

4. Mr. Zhou Chengrong was appointed as an Executive Director on 23 September 2014, and 3 general meetings were held after his appointment.

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation.

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

The Company established the Nomination Committee with written terms of reference on 14 March 2012 and currently consists of three independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas, Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia, and one executive Director, namely Mr. Wang Hao (as chairman).

The terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference adopted by the Nomination Committee are aligned with the code provisions set out in the Code on CGP.

The function of the Nomination Committee are to review and monitor the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and made recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify qualified individuals to become members of the Board; to assess the independence of the independent non-executive Directors; to review the Policy, and review the measurable objectives that the Board has set for implementing the Policy, the progress on achieving the objective; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

During the year ended 31 March 2015, the Nomination Committee held 3 meetings to assess the independence of the independent non-executive Directors; to consider the re-election of Directors; to review the composition of the Board; and to consider and make recommendation to the board on the appointment of Director(s).

Name of Members	Number of attendance
– Mr. Lai Leong *(former Chairman)* *(Note1)*	3/3
– Mr. Wang Hao *(Chairman)* *(Note 2)*	N/A
– Mr. Fok Ho Yin, Thomas	3/3
– Mr. Tsui Ching Hung	3/3
– Ms. Cheung Oi Man, Amelia	3/3

Notes:

1. Mr. Lai Leong ceased to act as a member and the chairman of the Nomination Committee on 11 March 2015, and 3 meeting were held before his resignation of the Chairman.

2. Mr. Wang Hao was appointed as a member and the chairman of the Nomination Committee on 11 March 2015, and no meeting was held after his appointment.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the three independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas (as chairman), Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia.

The terms of reference of the Remuneration Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference adopted by the Remuneration Committee are aligned with the code provisions set out in the Code on CGP.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

During the year ended 31 March 2015, the Remuneration Committee held 3 meetings to review the remuneration of Directors and senior management; and to consider and make recommendation to the Board on the remuneration of new Director(s).

Name of Members	**Number of attendance**
– Mr. Fok Ho Yin, Thomas *(Chairman)*	3/3
– Mr. Tsui Ching Hung	3/3
– Ms. Cheung Oi Man, Amelia	3/3

The emoluments payable to Directors and senior management depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in note 14 to the consolidated financial statements.

AUDIT COMMITTEE

The Audit Committee comprises the three independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas (as chairman), Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia.

The terms of reference of the Audit Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference adopted by the Audit Committee are aligned with the code provisions set out in the Code on CGP.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and financial statements of the Group; and overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and internal control procedures.

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

During the year ended 31 March 2015, the Audit Committee held 3 meetings.

Name of Members	Number of attendance
– Mr. Fok Ho Yin, Thomas *(Chairman)*	3/3
– Mr. Tsui Ching Hung	3/3
– Ms. Cheung Oi Man, Amelia	3/3

During the year ended 31 March 2015, the Audit Committee reviewed the annual and interim results of the Group, which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the Listing Rules.

The Audit Committee noted the existing internal control system of the Group and also noted that review of the same will be carried out annually.

EXTERNAL AUDITORS

The statement of the external auditor of the Company about its reporting responsibilities on the Company's financial statements for the year ended 31 March 2015 is set out in the section headed "Independent Auditor's Report" in this annual report.

There has been no other change of auditors in the past three years.

The Audit Committee is mandated to ensure continuing auditors' objectivity and safeguard independence of the auditors, and it has:

- determined the framework for the type and authorisation of non-audit services for which the external auditors may provide; and
- agreed with the Board on the policy relating to the hiring of employees or former employees of the external auditors and monitored the applications of such policy.

The Group has not employed any staff who was formerly involved in the Group's statutory audit.

The fees paid/payable to Li, Tang, Chen & Co., the Company's auditor, in respect of audit services and non-audit services for the year ended 31 March 2015 are analyzed below:–

Type of services provided by the external auditor	2015	2014
	HK$'000	*HK$'000*
Statutory audit	**660**	480
Non-audit services	**750**	100
Total	**1,410**	580

The non-audit services mainly comprise of tax compliance and services in connection with acquisition of Rander International Limited by the Group.

COMPANY SECRETARY

Mr. Hon Ming Sang was appointed as the company secretary of the Company on 31 December 2012.

Mr. Hon Ming Sang, plays the role in supporting the Board by ensuring good information flow within the Board, as well as communications with Shareholders and management and fulfill the qualification requirements laid down in the Listing Rules. Biographical details of Mr. Hon Ming Sang are set out in the section headed "Biographies of Directors" of this annual report.

Mr. Lam Kwan Sing, an executive Director of the Company, is the primary point of contact at the Company for the company secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Mr. Hon Ming Sang had taken no less than 15 hours of relevant professional training for the financial year ended 31 March 2015.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called special general meeting.

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act 1981 of Bermuda. The procedures shareholders can use to convene a special general meeting are set out in the document entitled "Procedures for Shareholder to Propose a Person for Election as a Director" of the Company, which is currently available on the Company's website.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of the forthcoming annual general meeting of the Company ("2015 AGM") will be vote by poll.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders.

Information of the Company is disseminated to the shareholders in the following manner:

- Delivery of annual and interim results and reports to all shareholders;

- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and

- The general meeting of the Company is also an effective communication channel between the Board and shareholders.

The chairmen of each of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the 2014 AGM to answer questions of the meeting and collect views of shareholders.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 March 2015, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

INTERNAL CONTROL

Management had implemented a system of internal control to provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, appropriate legislation and regulations are complied with, reliable financial information are provided for management and publication purpose and investment and business risks affecting the Group are identified and managed.

The Board has conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 March 2015. The senior management reviews and evaluates the control process and monitors any risk factors on a regular basis and reports to the Board and the Audit Committee on any findings and measures to address the variances and identified risks.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 March 2015.

The Board of Directors has pleasure in presenting their report together with the audited financial statements of the Group for the year ended 31 March 2015.

CHANGE OF COMPANY NAME

Pursuant to the special resolution passed at the special general meeting of the Company held on 9 February 2015 and approved by the Registrar of the Companies in Bermuda and Registrar of Companies in Hong Kong, the Company has changed its name to "China Smarter Energy Group Holdings Limited" and adopted the Chinese name "中國智慧能源集團控股有限公司" with effect from 12 February 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 18 to the consolidated financial statements.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 March 2015 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 38 to 117.

DIVIDENDS

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the annual general meeting of the Company to be held on Monday, 10 August 2015 ("2015 AGM"), the register of members of the Company will be closed from Friday, 7 August 2015 to Monday, 10 August 2015, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 August 2015.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to Shareholders as at the end of the Review Period were as follows:

	2015 ***HK$'000***	2014 *HK$'000*
Contributed surplus	**154,440**	154,440
(Accumulated losses)/retained profits	**(670,234)**	41,079
	(515,794)	195,519

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In addition, under the laws of Bermuda, the Company's share premium account, with a balance of approximately HK$1,283,770,000 as at 31 March 2015, may be distributed in the form of fully paid bonus shares.

SHARE CAPITAL

Details of the movements in the share capital during the year are set out in note 35 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 118 of this report.

CHARITABLE DONATIONS

Charitable donations made by the Company during the year amounted to HK$100,000 (2014: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group are set out in note 17 to the financial statements.

DIRECTORS

The list of Directors of the Company during the year and up to the date of this annual report is set out below:

Executive Directors

Mr. Wang Hao *(Chairman & Chief Executive Officer)*	*(appointed on 11 March 2015)*
Mr. Lai Leong *(Note 1)*	
Mr. Lam Kwan Sing	
Mr. Wong Nga Leung	
Mr. Hon Ming Sang	
Mr. Zhou Chengrong	*(appointed on 23 September 2014)*
Mr. Kong Shan, David	*(resigned on 11 March 2015)*

Independent Non-executive Directors

Mr. Fok Ho Yin, Thomas
Mr. Tsui Ching Hung
Ms. Cheung Oi Man, Amelia

Note:

1. Mr. Lai Leong resigned as a Chairman of the Board, Chief Executive Officer of the Company and ceased to be a member and chairman of Nomination Committee of the Company on 11 March 2015. Mr. Lai remains as an Executive Director of the Company.

In accordance with clause 115 of the Company's Bye-Laws, Mr. Wang Hao and Mr. Zhou Chengrong, being Directors appointed after the 2014 AGM, shall retire from office as Directors and, being eligible, offer themselves for re-election at the 2015 AGM.

In accordance with clause 111 of the Company's Bye-Laws, Mr. Lai Leong, Mr. Wong Nga Leung and Ms. Cheung Oi Man, Amelia shall retire from office as Directors by rotation and, being eligible, offer themselves for re-election at the 2015 AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the 2015 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

SHARE OPTION SCHEME

The share option scheme (the "Scheme") which complied with the amended Chapter 17 of the Listing Rules was adopted at the annual general meeting held on 30 July 2004. No share option has been granted by the Company under the Scheme. The Scheme was remain in force for 10 years from 11 August 2004 and was expired on 10 August 2014.

A new share option scheme (the "New Scheme") was adopted at the Special General Meeting held on 18 December 2014, the date of the Stock Exchange's granting of the listing of and permission to deal in the shares to be issued pursuant to the exercise of options under the New Scheme. There were no outstanding share options granted pursuant to the New Scheme.

Details of the share option scheme of the Company are set out in note 35 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" and in the share option scheme disclosures in note 35 to the financial statements, at no time during the year or up to the date of this report were there any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year end 31 March 2015.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules, are set out below:

(a) Long positions in the ordinary shares of HK$0.0025 each of the Company

Name of Director	Capacity	Number of ordinary shares interested	Percentage of the Company's issued share capital
Mr. Lai Leong *(Note 1)*	Interest of controlled corporation *(Note 2)*	1,411,446,400	20.20%

Notes:

1. Mr. Lai Leong resigned as a Chairman of the Board, Chief Executive Officer of the Company and ceased to be a member and chairman of Nomination Committee of the Company on 11 March 2015. Mr. Lai remains as an Executive Director of the Company.

2. These shares owned by Oriental Day International Limited, which was 100% beneficially owned by Mr. Lai Leong.

(b) Long positions in the underlying shares of the Company – physically settled unlisted equity derivatives

Details of the Company's share option scheme are set out in note 35 to the financial statements.

No share options were granted to, or exercised by, the directors and chief executive during the year. There was no outstanding option granted to the directors and chief executive at the beginning and at the end of the year.

Save as disclosed above, as at 31 March 2015 none of the Directors, chief executives of the Company 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 as defined in Part XV of the SFO as recorded in the register 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.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, so far as is known to any Director or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(a) Aggregate long position in the shares and underlying shares of the Company

Name	Nature of interest	*Note*	Number of ordinary shares of the Company held	Percentage of the Company's issued share capital
Mr. Lai Leong	Interest of controlled corporation	*1*	1,411,446,400	20.20%
Oriental Day International Limited	Beneficial owner	*2*	1,411,446,400	20.20%
Ms. Cao Zhiying	Beneficial owner		960,000,000	13.74%
Linkage Group Limited	Beneficial owner	*3*	1,043,478,260	14.93%
Mr. Xu Hua David	Interest of controlled corporation	*3*	1,043,478,260	14.93%
Shanghai Electric (Group) Corporation	Interest of controlled corporation	*4*	825,958,700	11.82%
Shanghai Electric Group Company Limited	Interest of controlled corporation	*4*	825,958,700	11.82%
Shanghai Electric Hongkong Co. Limited	Beneficial owner	*4*	825,958,700	11.82%
CST Mining Group Limited	Interest of controlled corporation	*5*	460,000,000	6.58%
Skytop Technology Limited	Beneficial owner	*5*	460,000,000	6.58%
Freeman Financial Corporation Limited	Beneficial owner	*6*	380,920,960	5.45%

Notes:

1. Mr. Lai Leong resigned as a Chairman of the Board, Chief Executive Officer of the Company and ceased to be a member and chairman of Nomination Committee of the Company on 11 March 2015. Mr. Lai remains as an Executive Director of the Company.

2. These shares owned by Oriental Day International Limited, which was 100% beneficially owned by Mr. Lai Leong.

3. These shares owned by Linkage Group Limited, which was 100% beneficially owned by Mr. Xu Hua David.

4. These 825,958,700 shares are owned by Shanghai Electric Hongkong Co. Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Shanghai Electric Group Co. Limited (stock code: 2727), the issuance of the convertible bonds (the "Convertible Bonds") of the Company to Shanghai Electric Hongkong Co. Limited ("Shanghai Electric"), an Independent Third Party, in the principal amount of HK$700,000,000 which are convertible into 825,958,700 new Shares at the initial conversion price of HK$0.8475 (subject to adjustments). As at the date of this report, no part of the Convertible Bonds has been converted. As disclosed in the Company's announcement dated 8 October 2014, a put event has occurred pursuant to the terms and conditions of the Convertible Bonds, and the Company has the right to issue conversion shares in satisfaction of its obligations to repay or redeem at face value all or part of the outstanding Convertible Bonds during the 90 day period from the first anniversary of the date of the initial issue date of the Convertible Bonds.

5. CST Mining Group Limited (stock code: 985) is a listed company in the Hong Kong Stock Exchange.

6. Freeman Financial Corporation Limited (stock code: 279) is a listed company in the Hong Kong Stock Exchange.

(b) Aggregate short position in the shares and underlying shares of the Company

As at 31 March 2015, the Company had not been notified of any short positions being held by any substantial shareholders in the shares or underlying shares of the Company.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 March 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2015.

CONNECTED TRANSACTION

For the year ended 31 March 2015, the Group had no connected transaction as defined in the Listing Rules.

SUBSIDIARIES

Particulars of the subsidiaries of the Company as at 31 March 2015 are set out in note 18 and note 39 to the financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 March 2015 are set out in note 43 to the financial statements.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors for year ended 31 March 2015 are set out in note 14 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Contracts with the Group's five largest suppliers combined by value, accounted for 75.94% in value of total purchases during the year ended 31 March 2015, while contracts with the Group's largest supplier by value, accounted for 21.82% in value of total purchases during the year ended 31 March 2015. Aggregate sales attributable to the Group's five largest customers were less than 30% of total turnover during the year ended 31 March 2015.

Save as disclosed above, none of the Directors, their associates or any other shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

HUMAN RESOURCES AND STAFF REMUNERATION

The Group has a dedicated management team with extensive experience and extensive service, and has a technological talent team with high technological standard and abundant practicable experience. They are the force for the rapid growth and expansion of the Group since its establishment.

For the year ended 31 March 2015, total staff cost for the year was approximately HK$8,481,000, of which contributions to defined contribution retirement schemes were approximately HK$459,000. The Group has been able to retain and motivate outstanding technological and management talents through remuneration at a competitive level, as well as training and development plans.

The Company's subsidiaries in the PRC provide retirement, medical, employment injury, unemployment and maternity benefits to its employees in accordance with a state-managed social welfare scheme operated by the local government of the PRC, and the relevant PRC rules and regulations. At the same time, the employees of the Company's subsidiaries in the PRC are members of a long-term dormitory provident fund scheme operated by the local government of the PRC. According to the scheme, the Group provides dormitory provident fund to the employees in the PRC in accordance with the relevant PRC rules and regulations.

Certain executive Directors and members of the senior management of the Group, being non-PRC citizens, may elect not to participate in the state-managed social welfare scheme operated by the local government of the PRC. If there is any change in the PRC rules and regulations with respect to the retirement scheme upon which the Group is required to contribute to the social welfare scheme for non-PRC citizens, the Group shall comply with such new rules and regulations within the time limit prescribed by the relevant authorities.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year and up to the date of this report.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee, comprising the three independent non-executive Directors of the Company with written terms of reference in compliance with the Code on CGP. The principal duties of the Audit Committee include the review and supervision of the Group's financial statements and review of the relationship with the auditors of the Company. The Audit Committee comprises all three independent non-executive directors of the Company.

The Audit Committee has reviewed with the Group's senior management and external auditors the accounting principles and practices adopted by the Group and reviewed the Company's consolidated financial statements for the year ended 31 March 2015.

AUDITORS

Messrs. Li, Tang, Chen & Co. retire and, being eligible, offer themselves for re-appointment. Save as disclosed above, there was no change in auditor during the past three years.

A resolution will be submitted to the 2015 AGM to re-appoint Messrs. Li, Tang, Chen & Co. as auditor of the Company.

ANNUAL REPORT

This Annual Report is printed in English and Chinese and is available on the Stock Exchange's website at "www.hkexnews.hk" under the "Listed Company Information" and our Company's website at "www.cse1004.com". Printed copies in both languages are posted to shareholders.

ANNUAL GENERAL MEETING

The 2015 AGM will be held on 10 August 2015. Details of the annual general meeting are set out in the notice of the annual general meeting which constitutes part of the circular to be sent to the Company's shareholders together with the Annual Report. Notice of the annual general meeting and the proxy form are also available on the Stock Exchange's website and the Company's website.

On behalf of the Board

China Smarter Energy Group Holdings Limited
Wang Hao
Chairman

Hong Kong, 19 June 2015

李湯陳會計師事務所
LI, TANG, CHEN & CO.
Certified Public Accountants (Practising)

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CHINA SMARTER ENERGY GROUP HOLDINGS LIMITED
(formerly known as Rising Development Holdings Limited)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Smarter Energy Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 38 to 117, which comprise the consolidated and Company statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 predecessor Hong Kong Companies Ordinance (Cap. 32), 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. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, 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 about whether the consolidated financial statements are free from material misstatement.

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 give 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32).

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

19 June 2015

Consolidated Statement of Profit or Loss

For the year ended 31 March 2015

	Note	**2015** **HK$'000**	2014 HK$'000 (Restated)
TURNOVER	8	**202,410**	12,273
Cost of sales		**(6,135)**	(5,435)
Gross profit		**196,275**	6,838
Other income	8	**3,532**	230
Other gains/(losses), net	8	**(8,039)**	649
Gain on bargain purchase of subsidiaries	39	**292,080**	–
Impairment loss on exploration and evaluation assets	20	**(665,334)**	(134,081)
Goodwill written off	21	**–**	(19)
Selling and distribution expenses		**(4,585)**	(4,330)
Operating and administrative expenses		**(61,025)**	(23,206)
LOSS FROM OPERATIONS		**(247,096)**	(153,919)
Finance costs	9	**(43,336)**	(15,651)
LOSS BEFORE TAX	10	**(290,432)**	(169,570)
INCOME TAX CREDIT	11(a)	**161,509**	31,570
LOSS FOR THE YEAR		**(128,923)**	(138,000)
ATTRIBUTABLE TO:			
Equity shareholders of the Company	12	**(28,778)**	(118,084)
Non-controlling interests		**(100,145)**	(19,916)
LOSS FOR THE YEAR		**(128,923)**	(138,000)
LOSS PER SHARE	16		
Basic		**HK(0.47) cents**	HK(2.11) cents
Diluted		**HK(0.47) cents**	HK(2.11) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	2015 *HK$'000*	2014 *HK$'000* (Restated)
LOSS FOR THE YEAR	**(128,923)**	(138,000)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**1,832**	357
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**1,832**	357
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(127,091)**	(137,643)
ATTRIBUTABLE TO:		
Equity shareholders of the Company	**(26,782)**	(119,507)
Non-controlling interests	**(100,309)**	(18,136)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(127,091)**	(137,643)

Consolidated Statement of Financial Position

As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	**856,102**	961
Available-for-sale financial assets	19	**7,800**	7,800
Exploration and evaluation assets	20	**300,985**	967,405
Intangible assets	22	**876,272**	–
		2,041,159	976,166
CURRENT ASSETS			
Inventories	23	**3,241**	3,733
Accounts receivable	24	**25,096**	2,257
Prepayments, deposits and other receivables	25	**241,419**	7,478
Financial assets at fair value through profit or loss	26	**217,671**	54,238
Tax recoverable	11(b)	**–**	2,831
Time deposit and cash and bank balances	27	**138,008**	20,465
		625,435	91,002
CURRENT LIABILITIES			
Accounts payable	28	**2**	530
Other payables and accruals	29	**29,162**	4,937
Customers' deposits		**802**	1,682
Margin loan payable	30	**–**	10,326
Other loans	30	**7,497**	27,501
Current portion of long term bank loans	31	**4,996**	–
Tax payable		**–**	590
		42,459	45,566
NET CURRENT ASSETS		**582,976**	45,436
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,624,135**	1,021,602
NON-CURRENT LIABILITIES			
Long term bank loans	31	**736,851**	–
Convertible bonds	33	**663,246**	–
Deferred tax liabilities	34(a)	**272,707**	240,995
		1,672,804	240,995
NET ASSETS		**951,331**	780,607

Consolidated Statement of Financial Position

As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
CAPITAL AND RESERVES			
Share capital	*35*	**17,471**	14,862
Reserves	*36(a)*	**889,136**	620,712
Equity attributable to equity shareholders of the Company		**906,607**	635,574
Non-controlling interests		**44,724**	145,033
TOTAL EQUITY		**951,331**	780,607

Wang Hao
Director

Lam Kwan Sing
Director

Statement of Financial Position

As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	–	–
Interests in subsidiaries	18	1,259,310	1,200,641
		1,259,310	1,200,641
CURRENT ASSETS			
Prepayments, deposits and other receivables	25	2,617	1,577
Financial assets at fair value through profit or loss	26	217,671	54,238
Tax recoverable	11(b)	–	2,831
Time deposit and cash and bank balances	27	35,277	4,106
		255,565	62,752
CURRENT LIABILITIES			
Amount due to a subsidiary	18	6,720	5,760
Other payables and accruals	29	1,647	873
		8,367	6,633
NET CURRENT ASSETS		247,198	56,119
TOTAL ASSETS LESS CURRENT LIABILITIES		1,506,508	1,256,760
NON-CURRENT LIABILITIES			
Convertible bonds	33	663,246	–
NET ASSETS		843,262	1,256,760
CAPITAL AND RESERVES			
Share capital	35	17,471	14,862
Reserves	36(b)	825,791	1,241,898
TOTAL EQUITY		843,262	1,256,760

Wang Hao
Director

Lam Kwan Sing
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to equity shareholders of the Company										
	Share capital	Share premium account	Contributed surplus	Convertible bonds equity reserve	Convertible notes equity reserve	Exchange fluctuation reserve	Statutory reserve fund	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2014	14,862	1,046,379	77,102	–	–	111,737	12	(614,518)	635,574	145,033	780,607
Comprehensive income:											
Loss for the year	–	–	–	–	–	–	–	(28,778)	(28,778)	(100,145)	(128,923)
Other comprehensive income/(loss) for the year:											
Exchange differences arising on translation of foreign operations	–	–	–	–	–	1,996	–	–	1,996	(164)	1,832
Total comprehensive loss for the year	–	–	–	–	–	1,996	–	(28,778)	(26,782)	(100,309)	(127,091)
Transactions with owners:											
Issue of shares for acquisition of Rander International Limited *(note 39)*	2,609	237,391	–	–	–	–	–	–	240,000	–	240,000
Issue of convertible bonds by the Company *(note 33)*	–	–	–	57,815	–	–	–	–	57,815	–	57,815
Total transactions with owners	2,609	237,391	–	57,815	–	–	–	–	297,815	–	297,815
Balance at 31 March 2015	17,471	1,283,770	77,102	57,815	–	113,733	12	(643,296)	906,607	44,724	951,331

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to equity shareholders of the Company										
	Share capital	Share premium account	Contributed surplus	Convertible bonds equity reserve	Convertible notes equity reserve	Exchange fluctuation reserve	Statutory reserve fund	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2013	13,862	920,524	77,102	–	41,734	113,160	12	(496,434)	669,960	163,169	833,129
Comprehensive income:											
Loss for the year	–	–	–	–	–	–	–	(118,084)	(118,084)	(19,916)	(138,000)
Other comprehensive income/(loss) for the year:											
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(1,423)	–	–	(1,423)	1,780	357
Total comprehensive loss for the year	–	–	–	–	–	(1,423)	–	(118,084)	(119,507)	(18,136)	(137,643)
Transactions with owners:											
Issue of shares upon conversion of convertible notes *(note 32)*	1,000	125,855	–	–	(41,734)	–	–	–	85,121	–	85,121
Total transactions with owners	1,000	125,855	–	–	(41,734)	–	–	–	85,121	–	85,121
Balance at 31 March 2014	14,862	1,046,379	77,102	–	–	111,737	12	(614,518)	635,574	145,033	780,607

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Loss before tax		**(290,432)**	(169,570)
Adjustments for:			
Interest expenses		**43,336**	15,651
Dividend income from unlisted available-for-sale financial assets		**(1,560)**	(1,872)
Dividend income from listed financial assets at fair value through profit or loss		**(118)**	(162)
Unrealised gain on investments in of financial assets at fair value through profit or loss		**(179,382)**	(3,396)
Gain on bargain purchase	*39*	**(292,080)**	–
Bank interest income		**(2,230)**	(2)
Other interest income		**(4)**	–
Depreciation		**5,500**	471
Amortisation of intangible assets		**4,613**	–
Impairment loss on exploration and evaluation assets	*20*	**665,334**	134,081
Goodwill written off	*21*	**–**	19
Loss on disposal of property, plant and equipment		**–**	365
Fair value changes in derivative component of convertible bonds		**9,817**	–
Tax penalties settled by the tax reserve certificate		**1,374**	–
Operating loss before working capital changes		**(35,832)**	(24,415)
Decrease in inventories		**492**	636
Increase in accounts receivable		**(14,433)**	(930)
Increase in prepayments, deposits and other receivables		**(160,625)**	(2,029)
(Decrease)/increase in accounts payable		**(528)**	488
Increase in other payables and accruals		**13,116**	612
(Decrease)/increase in customers' deposits		**(880)**	178
Net cash used in operating activities		**(198,690)**	(25,460)

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES			
Dividend received from unlisted available-for-sale financial assets		**1,560**	1,872
Dividend received from listed financial assets at fair value through profit or loss		**118**	162
Bank interest received		**2,230**	2
Other interest received		**4**	–
Purchases of property, plant and equipment	*17*	**(114)**	(9)
Acquisition of subsidiaries	*39*	**(316,730)**	576
Net cash (used in)/generated from investing activities		**(312,932)**	2,603
FINANCING ACTIVITIES			
Interest paid		**(29,202)**	(1,315)
Other loans obtained		**5,000**	27,536
Repayment of margin loan		**(10,326)**	(4,595)
Repayment of bank loans		**(2,498)**	–
Repayment of other loans		**(25,004)**	–
Net proceeds from issue of convertible bonds		**698,229**	–
Net cash generated from financing activities		**636,199**	21,626
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**124,577**	(1,231)
Effect of foreign exchange rate changes		**(7,034)**	(1,040)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**20,465**	22,736
CASH AND CASH EQUIVALENTS AT END OF YEAR		**138,008**	20,465
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposit and cash and bank balances		**138,008**	20,465

1. CORPORATE INFORMATION

China Smarter Energy Group Holdings Limited (the "Company") was incorporated in Bermuda on 8 August 1997 as an exempted company with limited liability under the Companies Act (as amended) of Bermuda. The principal office of the Company is located at Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

By a special resolution passed on 9 February 2015, the name of the Company was changed from Rising Development Holdings Limited to China Smarter Energy Group Holdings Limited and the Company adopted "中國智慧能源集團控股有限公司" in replacement of "麗盛集團控股有限公司" as the Company's Chinese name.

The Company is engaged in investment holding and trading of listed equity securities. The principal activities of the subsidiaries are share investment, trading of fur garment and skins, business of mining natural resources and clean energy operation.

The consolidated financial statements are presented in Hong Kong dollars which is the same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair value as specified in the significant accounting policies as set out in note 5.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for this financial year and the comparative year.

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealized gains and losses resulting from inter-company transactions and inter-company balances within the Group are eliminated on consolidation in full.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 6.

3. APPLICATION OF NEW AND REVISED HKFRSs

The following amendments to standards and new interpretation are mandatory for accounting periods beginning on or after 1 April 2014:

HKAS 32 (amendment)	Offsetting financial assets and financial liabilities
HKAS 36 (amendment)	Recoverable amount disclosures for non-financial assets
HKAS 39 (amendment)	Novation of derivatives and continuation of hedge accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (amendment)	Investment entities
HK(IFRIC)– Int 21	Levies

The directors of the Company consider that none of these developments are relevant to the Group's results and financial position.

4. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2015

Certain new and revised HKFRSs and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2015 or later periods, which the Group has not early adopted, are as follows:

HKAS 1 (amendment)	Presentation of financial statements – disclosure initiative[2]
HKAS 16 (amendment) and HKAS 38 (amendment)	Clarification of acceptable methods of depreciation and amortisation[2]
HKAS 16 (amendment) and HKAS 41 (amendment)	Agriculture: bearer plants[2]
HKAS 19 (amendment)	Defined benefit plans: employee contribution[1]
HKAS 27 (2011) (amendment)	Equity method in separate financial statements[2]
HKFRS 9	Financial instruments[4]
HKFRS 10 (amendment) and HKAS 28 (2011) (amendment)	Sale or contribution of assets between an investor and its associate or joint venture[2]
HKFRS 10 (amendment), HKFRS 12 (amendment) and HKAS 28 (2011) (amendment)	Investment entities: applying the consolidation exception[2]
HKFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations[2]
HKFRS 14	Regulatory deferral accounts[2]
HKFRS 15	Revenue from contracts with customers[3]
Annual improvements 2012	Annual improvements 2010-2012 cycle[1]
Annual improvements 2013	Annual improvements 2011-2013 cycle[1]
Annual improvements 2014	Annual improvements 2012-2014 cycle[2]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018

The Group is in the process of making an assessment of the impact of these amendments and new and revised standards in the period of initial application. The directors of the Company anticipate that the application of these amendments and new and revised HKFRSs are not likely to have a significant impact on the Group's financial statements and are not analysed in detail.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Inter-company balances and transactions and any unrealized profits and losses arising from inter-company transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from inter-company transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets and liabilities measured initially at their fair values at the acquisition date and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

In the Company's statement of financial position, the Company's interests in subsidiaries are stated at cost less any impairment losses.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries (previously referred to as negative goodwill), after reassessment, is recognised immediately in profit or loss as a gain on bargain purchase.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowings costs.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment (cont'd)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	The shorter of the lease terms and 50 years
Leasehold improvements	The shorter of the lease terms and 5 years
Solar power generation plant	20 years
Plant and machinery	3 to 5 years
Furniture, fixtures, office equipment and motor vehicles	3 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability for extracting a mineral resource becomes demonstrable, any previously recognised exploration and evaluation assets are reclassified as property, plant and equipment, mining rights or other intangible assets. These assets are assessed for impairment and any impairment loss is recognised before reclassification.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible assets

Intangible assets with finite useful lives that are acquired in business combinations are stated in the consolidated statement of financial position at fair value at the acquisition date less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 24 years.

Inventories

Inventories are stated at the lower of cost and net realisable value after allowances for obsolete or slow-moving items. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads based on a normal level of operating activity. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of the reporting period.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by HKAS 39. Derivatives, including separated embedded derivative, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39. Gains or losses on investments held for trading are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative that are either designated or not classified as any of the other categories. At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in other comprehensive income and accumulated separately in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse to profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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 and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairments losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset 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 losses will not reverse in subsequent periods.

Impairment on assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset'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). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment on available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through profit or loss.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interest-bearing loans and borrowings (cont'd)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

Convertible bonds/notes contains liability component, equity component and derivative component

Convertible bonds/notes issued by the Company that contain liability component, equity component and derivative component are classified separately into respective item on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. On initial recognition, both the liability and derivative components are measured at fair value. The fair value of the liability component on initial recognition is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds/notes and the fair values assigned to the liability and derivative components respectively, representing the conversion option for the holder to convert the convertible bonds/notes into equity, is included in equity.

In subsequent periods, the liability component of the convertible bonds/notes is carried at amortised cost using effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in the equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the expiry date. the balance recognised in equity will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

When the convertible bonds/notes are converted, the carrying amounts of the liability component and the derivative component at the time of conversion are transferred to share capital and share premium as consideration for the shares issued. When the convertible bonds/notes are redeemed, the difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds/notes are allocated to the liability, equity and derivative components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds/notes using the effective interest method.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss for the year.

Impairment of assets other than exploration and evaluation assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, deferred tax assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows, that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimate 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. An impairment loss is charged to profit or loss in the year in which it arises.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to profit or loss in the period in which it arises.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of exploration and evaluation assets

In the following cases, or similar cases, the Group shall test exploration and evaluation assets for impairment.

(a) The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;

(d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purpose of impairment testing exploration and evaluation assets are allocated to the relevant cash-generating units expected to benefit from the assets. Cash-generating units to which exploration and evaluation assets have been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of exploration and evaluation assets allocated to the unit.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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.

Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Trade and other payables

Liabilities for trade and other payables which are normally settled on 30 to 60 days terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Provisions and contingent liabilities

i) Contingent liabilities acquired in business combinations

Contingent liabilities acquired as part of a business combination are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note (ii) below. Contingent liabilities that cannot be reliably fair valued are disclosed in accordance with note (ii) below.

ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following basis:

a) Revenue arising from the sale of electricity is recognised in the accounting period when electricity has been delivered on grid and is measured based on the tariff rates determined by the relevant local authority.

b) Sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

c) Net gains/(losses) from equity securities trading arise from the disposal and remeasuement of financial instruments at fair value through profit or loss and is included in "Turnover". All transactions related to equity securities trading are record in the consolidated financial statements based on trade dates. Accordingly, only those trade dates falling within the accounting year have been taken into account.

d) Interest income is recognised on a time proportion basis using the effective interest method.

e) Dividend income is recognised when the right to receive payment is established.

Employee benefits

i) The Group joins a defined contribution Mandatory Provident Fund ("MPF") retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance. Contributions to the MPF scheme are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme. The Group's employer contributions are fully and immediately vested in favour of the employees.

ii) The Company's subsidiaries which operate outside Hong Kong are required to pay social security insurance premium to local authority for their employees. The insurance premium is calculated at certain percentage on the staff payroll. Social security insurance can provide retirement and unemployment benefits to the employees.

iii) Equity share-based payment transactions

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 (employee share-based compensation reserve).

At the time when the share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the share options are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to retained profits.

iv) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency at the rates of exchange ruling at the end of the reporting period. All differences are taken to profit or loss. Non-monetary items that are measured in the terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and, their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the exchange fluctuation reserve (attributable to minority interests as appropriate). On disposal of a foreign entity, the cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated to Hong Kong dollars at the weighted average exchange rates for the year.

Dividends

Interim dividend is simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividend is recognised immediately as a liability when it is proposed and declared.

Final dividend proposed by the directors is classified as a separate allocation of retained profits within capital and reserves in the statement of financial position, until it has been approved by the shareholders in a general meeting. When the dividend has been approved by the shareholders and declared, it is recognised as a liability.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Related parties

A party is considered to be related the Group if:

(a) A person, or a close member of that person's family, is related to the Group if that person:

i) has control or joint control over the Group;

ii) has significant influence over the Group; or

iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both entities are joint ventures of the same third party.

iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

vi) The entity is controlled or jointly controlled by a person identified in (a).

vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

6. SUMMARY ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Purchase accounting

Accounting for acquisitions require the Group to allocate the cost of acquisition to identifiable assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The Group has undertaken processes to identify all assets and liabilities acquired, including acquired intangible assets. Judgements made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as assets useful lives, could materially impact the calculation of gain on bargain purchase and depreciation and amortisation charges in subsequent periods. Estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management. Determining the estimated useful lives of tangible and intangible assets acquired also requires judgement.

Useful lives of property, plant and equipment

Depreciation of property, plant and equipment is calculated to write off the cost of property, plant and equipment over their estimated useful lives on a straight-line basis. The Group reviews the estimated useful lives and residual values of property, plant and equipment to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated changes.

Income taxes

(1) The Group recognises liabilities for anticipated tax issues for which the ultimate tax determination may be uncertain based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact current and deferred tax provisions in the financial period in which such determination is made.

(2) At 31 March 2015, the Group had estimated unused tax losses of approximately HK$311,460,000 (2014: HK$242,905,000) available for offset against future profits. No deferred tax asset has been recognised on the tax losses of approximately HK$311,460,000 (2014: HK$242,905,000) due to unpredictability of future profits streams. The reliability of the deferred tax asset mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more or less than expected, a material reversal or recognition of deferred tax assets may arise.

6. SUMMARY ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Allowances for inventories

The management of the Group makes allowance for obsolete and slow-moving inventories that are identified as no longer salable. The management estimates the net realisable value of its inventories based primarily on the latest invoice prices and current market conditions. The Group carries out review of inventories on a product-by-product basis at each of the end of the reporting period and makes allowance for obsolete and slow-moving items.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on current market conditions and the historical experience of trading and selling products of similar nature. The directors reassess the estimation at the end of each reporting period.

Impairment assessment for receivables

The policy for impairment assessment for receivables of the Group is based on the evaluation of collectability and an ageing analysis of receivables and on the judgement of the directors. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group deteriorate, resulting in an impairment of their ability to make payments, a material impairment loss may be required.

Impairment of exploration and evaluation assets

In determining whether the Group's exploration and evaluation assets are impaired, the directors have to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether the Group is able to obtain the right to exploit in the specific mining site; (2) whether carrying amount of exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale. In any such case, the Group shall perform an impairment test in accordance with the accounting policy as disclosed in the note 5. During the year ended 31 March 2015, an impairment loss of HK$665,334,000 (2014: HK$134,081,000) was recognised for exploration and evaluation assets. The aggregate carrying value of exploration and evaluation assets was HK$300,985,000 (2014: HK$967,405,000) at 31 March 2015.

7. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer of the Group (the "CEO") that makes strategic decisions. The CEO organizes the business units based on their products and services, and has reportable operating segments as follows:

a) Trading in securities comprise net gains/(losses) from trading of listed securities and dividend income from listed equity securities.

b) Investments comprise dividend income from unlisted equity investment.

c) Trading of fur garment.

d) Trading of fur skins.

e) Mine

f) clean energy

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

The CEO monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs as well as corporate expenses are excluded from such measurement.

Segment assets consist of property, plant and equipment, available-for-sale financial assets, exploration and evaluation assets, inventories, trade and other receivables, deposits and financial assets at fair value through profit or loss. Unallocated assets comprise tax recoverable and time deposit and cash and bank balances.

Segment liabilities consist of trade and other payables and accruals, customers' deposits and bank and other borrowings. Unallocated liabilities comprise convertible bonds and tax payable.

Inter-segment transactions are on arm's length basis in a manner similar to transactions with third parties.

7. SEGMENT INFORMATION (cont'd)

a) Operating segment information

For the year ended 31 March 2015

	Trading in securities HK$'000	Investments HK$'000	Trading of fur garment HK$'000	Trading of fur skins HK'000	Mine HK$'000	Clean energy HK$'000	Others HK$'000	Consolidated HK$'000
Segment revenue:								
Revenue from external customers	(1,131)	–	8,125	–	–	14,356	–	21,350
Investment income and net gains	179,500	1,560	–	–	–	–	–	181,060
Inter-segment sales	–	–	3,303	–	–	–	–	3,303
Reportable segment revenue	178,369	1,560	11,428	–	–	14,356	–	205,713
Elimination of inter-segment sales								(3,303)
Consolidated revenue								202,410
Segment results	175,837	(3,468)	(7,584)	746	(668,104)	283,451	(4,810)	(223,932)
Reconciliation:								
Interest income								2,230
Change in fair value of derivative component of convertible bonds								(9,817)
Unallocated corporate expenses								(15,577)
Loss from operating activities								(247,096)
Finance costs								(43,336)
Loss before tax								(290,432)
Income tax credit								161,509
Loss for the year								(128,923)
Other segment information:								
Depreciation	–	–	(151)	(67)	(121)	(5,157)	(4)	(5,500)
Amortisation of intangible assets	–	–	–	–	–	(4,613)	–	(4,613)
Impairment loss on exploration and evaluation assets	–	–	–	–	(665,334)	–	–	(665,334)

7. SEGMENT INFORMATION (cont'd)

a) Operating segment information (cont'd)

For the year ended 31 March 2014 (Restated)

	Trading in securities HK$'000	Investments HK$'000	Trading of fur garment HK$'000	Trading of fur skins HK'000	Mine HK$'000	Clean energy HK$'000	Others HK$'000	Consolidated HK$'000
Segment revenue:								
Revenue from external customers	(479)	–	7,322	–	–	–	–	6,843
Investment income and net gains	3,558	1,872	–	–	–	–	–	5,430
Inter-segment sales	–	–	4,727	3	–	–	–	4,730
Reportable segment revenue	3,079	1,872	12,049	3	–	–	–	17,003
Elimination of inter-segment sales								(4,730)
Consolidated revenue								12,273
Segment results	2,569	1,100	(8,807)	(168)	(136,094)	(496)	(1,548)	(143,444)
Reconciliation:								
Interest income								2
Unallocated corporate expenses								(10,477)
Loss from operating activities								(153,919)
Finance costs								(15,651)
Loss before tax								(169,570)
Income tax credit								31,570
Loss for the year								(138,000)
Other segment information:								
Depreciation	–	–	(164)	(67)	(170)	–	(70)	(471)
Goodwill written off	–	–	–	–	–	(19)	–	(19)
Impairment loss on exploration and evaluation assets	–	–	–	–	(134,081)	–	–	(134,081)

7. SEGMENT INFORMATION (cont'd)

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

At 31 March 2015

	Trading in securities HK$'000	Investments HK$'000	Trading of fur garment HK$'000	Trading of fur skins HK'000	Mine HK$'000	Clean energy HK$'000	Others HK$'000	Consolidated HK$'000
Reportable segment assets	217,671	10,417	12,626	15,732	301,680	1,889,521	196,885	2,644,532
Elimination of inter-segment receivables								(115,946)
								2,528,586
Unallocated assets:								
Tax recoverable								–
Cash and cash equivalents								138,008
Total assets per consolidated statement of financial position								2,666,594
Reportable segment liabilities	–	(2,990)	(58,440)	(25,235)	(87,698)	(967,101)	(26,499)	(1,167,963)
Elimination of inter-segment payables								115,946
								(1,052,017)
Unallocated liabilities:								
Convertible bonds								(663,246)
Tax payable								–
Total liabilities per consolidated statement of financial position								(1,715,263)
Other segment information								
Additions to property, plant and equipment during the year	–	–	4	–	8	81	21	114
Property, plant and equipment and intangible assets arising from acquisition of Rander International Limited *(note 39)*	–	–	–	–	–	1,727,187	–	1,727,187

7. SEGMENT INFORMATION (cont'd)

b) The segment assets and liabilities at the end of the reporting period are as follows: (cont'd)

At 31 March 2014 (Restated)

	Trading in securities *HK$'000*	Investments *HK$'000* (Restated)	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Mine *HK$'000*	Clean energy *HK$'000*	Others *HK$'000*	Consolidated *HK$'000* (Restated)
Reportable segment assets	54,238	9,376	12,899	17,874	968,225	–	82,303	1,144,915
Elimination of inter-segment receivables								(101,043)
								1,043,872
Unallocated assets:								
Tax recoverable								2,831
Cash and cash equivalents								20,465
Total assets per consolidated statement of financial position								1,067,168
Reportable segment liabilities	–	(3,369)	(50,639)	(25,748)	(251,937)	(454)	(54,867)	(387,014)
Elimination of inter-segment payables								101,043
								(285,971)
Unallocated liabilities:								
Convertible bonds								–
Tax payable								(590)
Total liabilities per consolidated statement of financial position								(286,561)
Other segment information								
Additions to property, plant and equipment during the year	–	–	9	–	–	–	–	9

7. SEGMENT INFORMATION (cont'd)

c) Geographical information

i) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong and Mainland China. Revenue by geographical location is determined on the basis of the locations of operations.

The following table provides an analysis of the Group's revenue by geographical location:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**188,054**	12,273
Mainland China	**14,356**	–
Total revenue	**202,410**	12,273

ii) Non-current assets

The non-current assets information is based on the location of assets and excludes financial instruments.

The following table provides an analysis of the Group's non-current assets by geographical location:

	2015	2014
	HK$'000	*HK$'000*
Mainland China	**2,033,128**	968,004
Hong Kong	**231**	362
	2,033,359	968,366

Information about major customers

No individual customer had transactions which contributed 10% or more of the Group's total revenue for the year ended 31 March 2015. For the year ended 31 March 2014, revenue from sales of fur garment with one customer had exceeded 10% of the Group's total revenue. Revenue from this customer amounted to HK$2,201,000 for the year ended 31 March 2014.

8. TURNOVER, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

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

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Turnover		
Sales of electricity to a provincial power grid company	**14,356**	–
Sales of fur garment	**8,125**	7,322
Net realised and unrealised gains on trading securities	**178,251**	2,917
Dividend income from unlisted available-for-sale financial assets	**1,560**	1,872
Dividend income from listed financial assets at fair value through profit or loss	**118**	162
	202,410	12,273
Other income		
Bank interest income	**2,230**	2
Other interest income	**4**	–
Compensation on trading of fur skins	**1,187**	–
Others	**111**	228
	3,532	230
Other gains/(losses), net		
Fair value change on derivative component of convertible bonds	**(9,817)**	–
Exchange gain	**1,778**	649
	(8,039)	649

During the year ended 31 March 2015, the directors of the Company decided to regard the net realised and unrealised gains on trading securities, dividend income from unlisted and listed equity securities instead of the proceeds from sales of listed financial assets at fair value through profit or loss as the turnover of the Group. This classification consistent with the way in which information is reported internally to the board for the purpose of resource allocation and performance assessment and the trading in listed securities and investments are also the major business lines of the Group.

9. FINANCE COSTS

	Group 2015 HK$'000	2014 HK$'000
Interest expenses on convertible notes	**–**	13,991
Interest expenses on convertible bonds	**35,683**	–
Interest on bank loans not wholly repayable within five years	**5,758**	–
Interest on other borrowings wholly repayable within five years:		
Margin loan payable	**122**	878
Other loans	**1,773**	782
	43,336	15,651

10. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2015 HK$'000	2014 HK$'000
Cost of inventories sold	**6,135**	5,435
Depreciation	**5,500**	471
Amortisation of intangible assets	**4,613**	–
Minimum lease payments under operating leases on land and buildings	**4,339**	2,837
Auditors' remuneration		
– audit services	**660**	480
– non-audit services	**750**	100
	1,410	580
Staff salaries, allowances and benefits in kind (excluding directors' remuneration)	**8,481**	6,482
Pension contributions	**459**	302
Provision for obsolete inventories	**1,510**	2,348
Loss on disposal of property, plant and equipment	**–**	365

11. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 March 2015 and 2014. Overseas taxes on assessable profits of the Company or its subsidiaries, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

11. INCOME TAX CREDIT (cont'd)

The Group's operations in the PRC are subject to the corporate income tax law of the PRC (the "PRC corporate income tax"). The standard PRC corporate income tax rate is 25% (2014: 25%). During the year, one subsidiary of the Group which are engaging in the operation of solar power stations has obtained the relevant preferential tax concession. This subsidiary is fully exempted from the PRC corporate income tax for the first three years, followed by a 50% tax exemption for the next three years. The applicable tax rate for this subsidiary during the year was 0%.

a) The amount of income tax credit in the consolidated statement of profit or loss:

	2015	2014
	HK$'000	*HK$'000*
Underprovision of Hong Kong profits tax in prior years	**4,825**	–
Deferred tax *(note 34)*	**(166,334)**	(31,570)
Income tax credit	**(161,509)**	(31,570)

The reconciliation between the loss before tax and the income tax credit is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Loss before tax	**(290,432)**	(169,570)
Tax credit at Hong Kong profits tax rate of 16.5% (2014: 16.5%)	**(47,921)**	(27,979)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(57,191)**	(9,880)
Effect on tax holiday on assessable profit of a subsidiary incorporated in the PRC	**(425)**	–
Income not subject to tax	**(79,295)**	(512)
Expenses not deductible for tax purposes	**11,292**	4,939
Unrecognised tax losses	**7,197**	1,853
Unrecognised temporary differences	**9**	9
Underprovision of Hong Kong profits tax in prior years	**4,825**	–
Income tax credit	**(161,509)**	(31,570)

b) Tax recoverable represented the excess of provisional profits tax paid over the estimated tax liabilities for the year ended 31 March 2014.

12. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss for the year attributable to equity shareholders of the Company includes a loss of HK$711,313,000 (2014: HK$22,300,000), which has been dealt with in the financial statements of the Company.

13. DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended 31 March 2015 (2014: Nil).

14. DIRECTORS' REMUNERATION

The remuneration paid or payable to the directors is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Fees	**470**	580
Other emoluments		
Basic salaries, other allowances and benefits in kind	**5,748**	4,652
Retirement scheme contributions	**95**	83
	5,843	4,735
	6,313	5,315

a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2015	2014
	HK$'000	*HK$'000*
Fok Ho Yin, Thomas	**120**	120
Tsui Ching Hung	**120**	120
Cheung Oi Man, Amelia	**120**	120
	360	360

There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

14. DIRECTORS' REMUNERATION (cont'd)

b) Executive directors

	Fees *HK$'000*	Salaries, allowances and other benefits in kind *HK$'000*	Retirement scheme contributions *HK$'000*	Total remuneration *HK$'000*
2015				
Wang Hao *(a)*	**–**	**135**	**–**	**135**
Lai Leong	**–**	**1,300**	**17**	**1,317**
Zhou Chengrong *(b)*	**–**	**430**	**7**	**437**
Kong Shan, David *(c)*	**110**	**373**	**17**	**500**
Lam Kwan Sing	**–**	**1,560**	**18**	**1,578**
Wong Nga Leung	**–**	**1,560**	**18**	**1,578**
Hon Ming Sang	**–**	**390**	**18**	**408**
	110	**5,748**	**95**	**5,953**
2014				
Lai Leong	–	867	10	877
Lee Yuk Lun	100	325	13	438
Kong Shan, David	120	390	15	525
Lam Kwan Sing	–	1,560	15	1,575
Wong Nga Leung	–	1,120	15	1,135
Hon Ming Sang	–	390	15	405
	220	4,652	83	4,955

Note

a) Appointed on 11 March 2015

b) Appointed on 23 September 2014

c) Resigned on 11 March 2015

c) The number of directors whose emoluments fell within the following band is as follows:

	Number of directors **2015**	 2014
Nil – HK$1,000,000	**7**	7
HK$1,000,001 – HK$1,500,000	**1**	1
HK$1,500,001 – HK$2,000,000	**2**	1

14. DIRECTORS' REMUNERATION (cont'd)

c) (cont'd)

No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals during the year ended 31 March 2015 included five directors (2014: five directors), details of whose emoluments are disclosed above.

16. LOSS PER SHARE

a) Basic loss per share

Basic loss per share for the years ended 31 March 2015 and 2014 is calculated by dividing the loss for the year attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 March 2015 and 31 March 2014 respectively. Calculation is as follows:

	2015	2014 (Restated)
Loss for the year attributable to equity shareholders of the Company *(HK$'000)*	**(28,778)**	(118,084)
Weighted average number of ordinary shares in issue *(thousands) (note)*	**6,067,844**	5,594,224
Basic loss per share *(HK cents per share)*	**(0.47) cents**	(2.11) cents

	2015 **'000**	2014 '000 (Restated)
Note		
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	**5,944,914**	5,544,912
Effect of conversion of convertible notes	**–**	49,312
Effect of issue of shares for acquisition of Rander International Limited *(note 39)*	**122,930**	–
Weighted average number of ordinary shares at 31 March	**6,067,844**	5,594,224

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share for the years ended 31 March 2015 and 2014 have been adjusted to reflect the impact of the share subdivision effected during the year ended 31 March 2015.

16. LOSS PER SHARE (cont'd)

b) Diluted loss per share

Diluted loss per share for the years ended 31 March 2015 and 2014 is the same as the basic loss per share, as the Company's outstanding convertible bonds and convertible notes had an anti-dilutive effect on the basic loss per share for the years ended 31 March 2015 and 2014 respectively.

17. PROPERTY, PLANT AND EQUIPMENT

a) Group

	Buildings HK$'000	Leasehold improvements HK$'000	Solar power generation plant HK$'000	Plant and machinery HK$'000	Furniture, fixtures, office equipment and motor vehicles HK$'000	Total HK$'000
Cost						
At 1.4.2013	363	2,609	–	2,064	8,064	13,100
Additions	–	–	–	–	9	9
Disposals	–	–	–	–	(936)	(936)
Exchange adjustments	–	–	–	–	49	49
At 31.3.2014 and 1.4.2014	363	2,609	–	2,064	7,186	12,222
Additions	–	–	–	–	114	114
Acquisition of subsidiaries *(note 39)*	–	–	852,627	–	870	853,497
Exchange adjustments	(1)	–	7,021	–	2	7,022
At 31.3.2015	362	2,609	859,648	2,064	8,172	872,855
Accumulated depreciation						
At 1.4.2013	91	2,533	–	1,946	6,763	11,333
Charge for the year	16	33	–	41	381	471
Written back on disposals	–	–	–	–	(571)	(571)
Exchange adjustments	–	–	–	–	28	28
At 31.3.2014 and 1.4.2014	107	2,566	–	1,987	6,601	11,261
Charge for the year	17	26	5,124	40	293	5,500
Exchange adjustments	–	–	–	–	(8)	(8)
At 31.3.2015	124	2,592	5,124	2,027	6,886	16,753
Net carrying amount						
At 31.3.2015	238	17	854,524	37	1,286	856,102
At 31.3.2014	256	43	–	77	585	961

17. PROPERTY, PLANT AND EQUIPMENT (cont'd)

b) Company

	Office equipment *HK$'000*
Cost	
At 1.4.2013, 31.3.2014, 1.4.2014 and 31.3.2015	4
Accumulated depreciation	
At 1.4.2013, 31.3.2014, 1.4.2014 and 31.3.2015	4
Net carrying amount	
At 31.3.2015	**–**
At 31.3.2014	–

The Group's buildings at 31 March 2015 and 2014 were held in The People's Republic of China (the "PRC") under medium-term lease.

18. INTERESTS IN SUBSIDIARIES

	Company	
	2015 ***HK$'000***	2014 *HK$'000*
Unlisted shares, at cost	**83,368**	83,368
Due from subsidiaries	**234,546**	49,046
Loans to subsidiaries	**1,771,573**	1,098,355
	2,089,487	1,230,769
Less: provision for impairment	**(819,878)**	–
	1,269,609	1,230,769
Loans from subsidiaries	**(9,443)**	(29,609)
Due to subsidiaries	**(856)**	(519)
	1,259,310	1,200,641

The balances with and loans (from)/to subsidiaries included in the interests in subsidiaries are unsecured, interest-free and to be recoverable/repayable after the next twelve months from the end of the reporting period.

The amount due to a subsidiary included in the Company's current liabilities of HK$6,720,000 (2014: HK$5,760,000) is unsecured, interest-free and repayable on demand.

18. INTERESTS IN SUBSIDIARIES (cont'd)

Particulars of the subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ and operation*	Paid-up share capital/ registered capital	Percentage of equity attributable to the Group	Principal activities
Directly held				
Rising Group International Limited	British Virgin Islands/ Hong Kong	Ordinary US$4,000	100%	Investment holding
Indirectly held				
Rising Manufacturing Macao Commercial Offshore Limited	Macau	Ordinary MOP$25,000	100%	Dormant
Rising Development Limited	Hong Kong	Ordinary HK$100 Non-voting deferred** HK$5,000,000	100%	Trading of fur garment and investment holding
Rising Manufacturing Limited	Hong Kong	Ordinary HK$10,000	100%	Provision of car rental service to a group company
Mega Asset Developments Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	100%	Investment holding
Oriental Harvest Development Limited	British Virgin Islands/ Hong Kong	Ordinary US$10	100%	Investment holding
Legend Sense Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	100%	Securities dealing
Smarty Express Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	100%	Trading of fur garment
Surplus Basic Limited	British Virgin Islands/ Hong Kong	Ordinary US$1	100%	Investment holding
Rander International Limited	British Virgin Islands/ Hong Kong	Ordinary US$10,000	100%	Investment holding

18. INTERESTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Place of incorporation/ and operation*	Paid-up share capital/ registered capital	Percentage of equity attributable to the Group	Principal activities
Dongcheng Enterprise Management Consultant (Shenzhen) Company Limited*** 東晟企業管理顧問(深圳)有限公司	PRC	HK$10,000,000	100%	Investment holding
Shaanxi Jiuquan Mining Company Limited*** 陝西久權礦業有限公司	PRC	RMB10,770,200	80%	Mine exploration
Tianhe Smarter Energy Company Limited (formerly known as Shanghai Chaoyang Photovoltaic Company Limited)*** 天合智慧能源有限公司 (前稱上海超陽光伏電力有限公司)	PRC	RMB134,000,000	100%	Investment holding
Jilin Hareon Electric Development Company Limited*** 吉林海潤電力技術開發有限公司	PRC	RMB1,000,000	51%	Development of solar power station
Shanghai Hengxian Investment Consultation Company Limited*** 上海恒賢投資諮詢有限公司	PRC	RMB6,266,937	100%	Investment holding
Shanghai Dianyang Photovoltaic Company Limited*** 上海典陽光伏電力有限公司	PRC	RMB20,000,000	100%	Investment holding
Jinchang Jintai Photovoltaic Company Limited*** 金昌錦泰光伏電力有限公司	PRC	RMB160,000,000	100%	Operation of solar power stations
Baotou Chaoyang Photovoltaic Company Limited*** 包頭超陽光伏電力有限公司	PRC	RMB1,000,000	95%	Development of solar power station

* *Where different*

** *The non-voting deferred shares carry no rights to dividends, no rights to vote at general meetings and no rights to receive any surplus in a return of capital in a winding-up or otherwise.*

*** *These subsidiaries are incorporated in PRC and are limited liability companies.*

18. INTERESTS IN SUBSIDIARIES (cont'd)

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

The following table lists out the information relating to Shaanxi Jiuquan Mining Company Limited 陝西久權礦業有限公司, the only subsidiary of the Group which has material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2015	2014
	HK$'000	*HK$'000*
NCI percentage	**20%**	20%
Current assets	**504**	605
Non-current assets	**301,906**	967,804
Current liabilities	**(7,436)**	(5,073)
Non-current liabilities	**(74,393)**	(240,995)
Net assets	**220,581**	722,341
Carrying amount of NCI	**44,116**	144,468
Loss for the year	**(500,942)**	(98,272)
Total comprehensive loss	**(500,942)**	(98,272)
Loss allocated to NCI	**(100,188)**	(19,654)
Cash flows used in operating activities	**(84)**	(64)
Cash flows (used in)/generated from investing activities	**(7)**	1

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2015	2014
	HK$'000	*HK$'000*
Unlisted equity securities outside Hong Kong, at cost	**7,800**	7,800

At the end of the reporting period, the above unlisted equity securities are not stated at fair value but at cost less any impairment loss because they do not have a quoted market price in an active market and the fair value cannot be reliably measured.

20. EXPLORATION AND EVALUATION ASSETS

	Group		
	Exploration rights	Evaluation expenditure	Total
	HK$'000	*HK$'000*	*HK$'000*
Balance at 1 April 2013	1,089,128	11,213	1,100,341
Exchange adjustment	1,133	12	1,145
Impairment loss	(131,281)	(2,800)	(134,081)
Balance at 31 March 2014 and 1 April 2014	958,980	8,425	967,405
Exchange adjustment	(1,074)	(12)	(1,086)
Impairment loss	(656,921)	(8,413)	(665,334)
Balance at 31 March 2015	**300,985**	**–**	**300,985**

The exploration rights represent the carrying amount of the mining rights for mining, exploration and exploitation in a Vanadium mine located in Shaanxi, PRC. The exploitation licence of Vanadium mine has been renewed in 2014 for 3 years till September 2017 and is renewable on an ongoing basis.

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

At 31 March 2015, the directors have engaged an independent professional valuer, BMI Appraisals Limited (the "Appraiser"), to carry out a valuation on the exploration rights for the purposes of an impairment review on the exploration rights.

Based on the valuation report prepared by the Appraiser, the directors consider that the exploration and evaluation assets should be impaired as the carrying amount of exploration and evaluation assets exceeds its estimated recoverable amount at 31 March 2015. Accordingly, an impairment loss of HK$665,334,000 (2014: HK$134,081,000) was recognised in profit or loss for the year ended 31 March 2015.

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

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

   For the purpose of the valuation, the after-tax required rates of return on the net fixed assets, the net working capital and the workforce assembled of 9.07%, 4.01% and 13.26% (2014: 9.56%, 4.50% and 14.18%) respectively were adopted.

20. EXPLORATION AND EVALUATION ASSETS (cont'd)

a) (cont'd)

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

3. The discount rate of the mining rights was calculated as 13.26% (2014: 14.18%).

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

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

An additional impairment loss of HK$665,334,000 (2014: HK$134,081,000) was recognised in the consolidated financial statements for the year ended 31 March 2015 mainly due to the market price of Vanadium Pentoxide that is used in refining of steel was about RMB69,000/MT at 31 March 2014 but dropped to approximate RMB55,000/MT by end of March 2015.

In view of the depressed market price of Vanadium, the directors of the Company decided to defer the first stage of production to 2017, but subject to revision, based on management's analysis of the market price of V_2O_5 and the risks of investment in and the development of the mine.

21. GOODWILL

	Group 2015 HK$'000	2014 HK$'000
At 1 April	–	–
Acquisition of a subsidiary, JHED *(note 39)*	–	19
Written off	–	(19)
At 31 March	–	–

The goodwill of HK$19,000 was written off in profit or loss for the year ended 31 March 2014 as the subsidiary from which the goodwill generated has not yet commenced business.

22. INTANGIBLE ASSETS

	Group Customer contract HK$'000
Cost	
At 1 April 2013 and 31 March 2014	–
Acquisition of Rander International Limited *(note 39)*	873,690
Exchange adjustments	7,195
At 31 March 2015	**880,885**
Accumulated amortization	
At 1 April 2013 and 31 March 2014	–
Amortisation for the year	4,613
At 31 March 2015	**4,613**
Net carrying amount	
At 31 March 2015	**876,272**
At 31 March 2014	–

23. INVENTORIES

	Group	
	2015	2014
	HK$'000	*HK$'000*
Raw materials	**1,560**	613
Finished goods	**1,681**	3,120
	3,241	3,733

The analysis of the amount of inventories recognised as expense is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**4,625**	3,087
Write-down of inventories	**2,625**	3,527
Reversal of write-down of inventories	**(1,115)**	(1,179)
	6,135	5,435

24. ACCOUNTS RECEIVABLE

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables from provincial power grid company	**23,357**	–	**–**	–
Trade receivables from other customers	**1,739**	2,257	**–**	–
	25,096	2,257	**–**	–

The Group's trading terms with its customers other than sales of electricity are mainly on credit. The Group allows a credit period of 30 days for its customers. The provincial power grid company usually settled the payment of electricity consumed within one month.

24. ACCOUNTS RECEIVABLE (cont'd)

An ageing analysis of trade receivables at the end of the reporting period based on the invoice date is as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**13,702**	1
31 days to 60 days	**10,320**	1
Over 60 days	**1,074**	2,255
	25,096	2,257

At 31 March 2015 and 2014, there were no impairment losses in respect of trade receivables.

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**13,702**	26
Less than 1 month past due	**7,681**	176
1 to 3 months past due	**3,690**	771
Over 3 months past due	**23**	1,284
	11,394	2,231
	25,096	2,257

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

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

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deposits for acquisitions *(notes a and b)*	**162,445**	–	**–**	–
Value added tax receivable	**70,805**	–	**–**	–
Prepayments, other deposits and receivables	**8,169**	7,478	**2,617**	1,577
	241,419	7,478	**2,617**	1,577

The amount of the Group's and the Company's prepayments, deposits and other receivables expected to be recovered or recognised as expense after more than one year is HK$559,000 (2014: HK$850,000) and HK$ Nil (2014: HK$ Nil) respectively. All of the other prepayments, deposits and other receivables are expected to be recovered or recognised as expense within one year.

Note

a) On 31 October 2014, the Group entered into an agreement with an independent third party ("the Vendor") for the purpose to acquire the entire equity interest in Jinchang Guoyuan Photovoltaic Company Limited 金昌國源電力有限公司 and the relevant shareholder's loans at an aggregate consideration of HK$500,000,000. The consideration will be satisfied as to HK$100,000,000 by the allotment and issue of the Company's shares and as to the balance payable in cash or by issue of loan note to the Vendor. After signing the said agreement, the Company had paid a deposit of HK$100 million to the Vendor, which is refundable if this acquisition cannot be completed. Details of this acquisition are disclosed in the announcement issued by the Company on 4 November 2014, 26 February 2015 and 30 April 2015.

b) On 27 January 2015, Tianhe Smarter Energy Company Limited 天合智慧能源有限公司 ("Tianhe Smarter Energy") (which is wholly-owned by the Company), Shanghai Hua Xing Electronic Company Limited 上海華星電器有限公司 ("Vendor") and Shanghai Xin Lan Electric Company Limited 上海昕嵐電力有限公司 ("Shanghai Xin Lan') (which is wholly-owned by the Vendor) entered into a framework agreement under which they agreed to work together towards developing distributed solar power projects through Shanghai Xin Lan, with a view to a possible acquisition by Tianhe Smarter Energy. In this respect under the framework agreement, earnest moneys of RMB50,000,000 (HK$62,445,000) have been paid which are refundable (upon termination of the cooperation) and guaranteed by the Vendor and its affiliate.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2015	2014
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong at fair value	**217,671**	54,238

At 31 March 2014, the total carrying amounts of certain financial assets at fair value through profit or loss amounted to HK$53,786,000, which had been pledged as security for the margin loan payable of HK$10,326,000, the details of which are set out in note 30(a).

27. TIME DEPOSIT AND CASH AND BANK BALANCES

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Time deposit with bank	**32,141**	–	**32,141**	–
Cash and bank Balances	**105,867**	20,465	**3,136**	4,106
	138,008	20,465	**35,277**	4,106

Time deposit and cash and bank balances include the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Euro	**46**	52	**2**	3
United States dollars	**1,305**	302	**11**	11
Canadian dollars	**37**	–	**–**	–
Danish Krone	**20**	20	**–**	–
Yen	**63**	–	**–**	–

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposit is made one month depending on the immediate cash requirements of the Group, and earns interest at the short-term time deposit rate.

28. ACCOUNTS PAYABLE

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**–**	–
31 days to 60 days	**–**	–
Over 60 days	**2**	530
	2	530

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

29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amount due to an investee company	**2,491**	2,491	**–**	–
Others	**26,671**	2,446	**1,647**	873
	29,162	4,937	**1,647**	873

Amount due to an investee company is unsecured, non-interest bearing and has no fixed terms of repayment.

Other payables and accruals include the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States dollars	**2,491**	2,496	**–**	–
Euro	**742**	757	**–**	–

30. MARGIN LOAN PAYABLE/OTHER LOANS

	Group 2015 HK$'000	2014 HK$'000
Margin loan payable *(note a)*	–	10,326
Other loans *(note b)*	**7,497**	27,501
	7,497	37,827

Note

a) At 31 March 2014, the margin loan payable was secured by the equity securities held under the margin account, with a total market value of approximately HK$53,786,000. The effective interest rate of margin loan was 10.25% per annum.

b) Other loans are unsecured and carry interest at the range from 6% to 12% (2014: 6% to 10.25%) per annum. These loans are wholly repayable within one year from the end of the reporting period.

31. BANK LOANS

The bank loans to be repayable as follows:

	Group 2015 HK$'000	2014 HK$'000
Within one year	**4,996**	–
After 1 year but within 2 years	**16,236**	–
After 2 years but within 5 years	**157,361**	–
After 5 years	**563,254**	–
	736,851	–
	741,847	–

31. BANK LOANS (cont'd)

All bank loans are unsecured, carry interest at 6.55% (2014: Nil) per annum and to be repayable by the semi-annual instalments with the last instalment due in 2027 and 2028.

The Company has issued a single guarantee of RMB598,000,000 (HK$746,842,200) to the bank to support the aforesaid bank loans granted to the Group.

	Group	
	2015	2014
	HK$'000	*HK$'000*
Reconciliation to the consolidated statement of financial position		
Current liabilities	**4,996**	–
Non-current liabilities	**736,851**	–
	741,847	–

32. CONVERTIBLE NOTES

On 12 October 2011, the Company issued convertible notes with a nominal value of HK$100,000,000. The convertible notes bear interest at 5% per annum with maturity date on 11 October 2015. The holders of the convertible notes have the right to convert on any business date at any time following 12 October 2011 until the date falling 7 days before (and excluding) 11 October 2014 into ordinary share of the Company at an initial conversion price of HK$1.00 per share (subject to adjustment). The Company shall have the right at any time from the date of issue of the convertible notes and inclusive of the maturity date to redeem the whole or part of the outstanding convertible. The effective interest rate of the liability component is 19.55% per annum.

On 14 February 2014, the holders converted the convertible notes in aggregate principal amount of $100,000,000 at the conversion price of HK$1.00 per share. The Company allotted 100,000,000 new ordinary shares of HK$0.01 each in respect of the above conversion (see note 35). The corresponding liability component of convertible notes with carrying amount HK$78,026,000, together with corresponding embedded derivative with carrying amount of HK$18,623,000, were transferred to share premium for the new ordinary shares issued.

32. CONVERTIBLE NOTES (cont'd)

The movements of the components of the convertible notes during the year ended 31 March 2014 are as follows:

	Group and Company		
	Liability component HK$'000	Conversion option derivative component HK$'000	Total HK$'000
At 1 April 2013	82,409	(18,623)-Note	63,786
Interest payable	(4,383)	–	(4,383)
Conversion of HK$100,000,000 convertible notes	(78,026)	18,623	(59,403)
At 31 March 2014	–	–	–

Note: The fair value of the conversion option derivative component of the convertible notes was determined by BMI Appraisals Limited, an independent firm of professionally qualified valuers by using Binomial Option Pricing Model.

33. CONVERTIBLE BONDS

On 12 September 2014, the Company issued convertible bonds to an independent third party, Shanghai Electric Hongkong Co. Limited, in the principal amount of HK$700,000,000 which are convertible into 206,489,675 new shares at the initial conversion price of HK$3.39 per share (subject to adjustment). The convertible bonds bear interest at 3 months HIBOR plus 5.5% per annum payable quarterly with maturity date on the 716th day after the date of first issue of convertible bonds. Further details of the convertible notes are set out in the Company's announcement dated 22 August 2014.

The bondholder shall have the right to convert its bonds into the Company's shares credited as fully paid at any time from the issue date up to the maturity date at the conversion price.

As fully mentioned in the Company's announcement dated 8 October 2014, a put event has occurred pursuant to the terms and conditions of the convertible bonds, and the Company has the right to issue conversion shares in satisfaction of its obligations to repay or redeem at face value all or part of the outstanding convertible bonds during the 90 day period from the first anniversary of the date of the initial issue date of the convertible bonds. The directors of the Company have not yet decided whether to exercise the right to redeem all or part of the outstanding convertible bonds by issuing the conversion shares at the date of the consolidated financial statements.

The conversion price of the bonds was adjusted to HK$0.8475 per share with effect from 19 December 2014 as a result of the share subdivision. The Company may issue 825,958,700 conversion shares to redeem at fair value all of the outstanding convertible bonds during the 90 day period from the first anniversary of the date of the initial issue date of the convertible bonds.

33. CONVERTIBLE BONDS (cont'd)

The convertible bonds were split into liability, derivative and equity components upon initial recognition by recognising the liability component and derivative component at their fair value and attributing to the equity component the residual amount. The liability component is subsequently carried at amortised cost while the derivative component is carried at fair value to be remeasured at the end of each reporting period. The equity component is recognised in the convertible bonds equity reserve. The fair value of the liability component upon the issuance was calculated at the present value of the estimated interest payments and principal amount. The fair value of the convertible bonds were determined as of the date of issue and 31 March 2015 by reference to valuation performed by an independent firm of professionally qualified valuers, Eidea Professional Service Company Limited.

Binominal Tree Model is used for valuation of derivative component of the convertible bonds. The inputs into the model were as follows:

	12.9.2014 (date of initial recognition)	**31.3.2015**
Share price of the Company	HK$6.53	)
Conversion price	HK$3.39	)
Stock price volatility	97.54%	)
Time to maturity	1.96 years	) Note
Risk-free rate	0.43%	)
Credit spread	9.67%	)
Dividend yield	0.00%	)

The movements of the components of the convertible bonds are as follows:

	Group and Company			
	Liability component *HK$'000*	**Derivative component** *HK$'000*	**Equity component** *HK$'000*	**Total** *HK$'000*
At 1 April 2014	–	–	–	–
Issued on 12 September 2014	651,858	(9,817)	57,959	700,000
Transaction costs	(1,627)	–	(144)	(1,771)
Imputed interest charged	35,683	–	–	35,683
Interest paid/payable	(22,668)	–	–	(22,668)
Changes in fair value	–	9,817	–	9,817
At 31 March 2015	**663,246**	**–**-Note	**57,815**	**721,061**

Interest expenses on the convertible bonds are calculated using the effective interest method by applying the effective interest rate of 9.91% per annum to the liability component.

Note: As the put event has been occurred the put feature of the convertible bonds will be exercised immediate after the first anniversary of the initial issue date of the convertible bonds. Accordingly, the fair value of derivative component at 31 March 2015 was HK$Nil.

33. CONVERTIBLE BONDS (cont'd)

The following tables set out the shareholding structure of the Company (i) at 31 March 2015; and (ii) for illustrative purpose only, immediately after the issue of the 825,958,700 conversion shares to redeem at fair value all of the outstanding convertible bonds due to put event has occurred, assuming that there will be no other changes to the share capital of the Company from 31 March 2015 up to the date of issue of conversion shares (assuming that the Company exercised its right to redeems all the outstanding convertible bonds by issuing the conversion shares at the end of the reporting period).

	At 31.3.2015		Immediately after the issue of conversion shares	
Shareholders	*No. of shares*	*Approximate (%)*	*No. of shares*	*Approximate (%)*
Oriental Day International Limited	1,411,446,400	20.20	1,411,446,400	18.06
Linkage Group Limited	1,043,478,260	14.93	1,043,478,260	13.35
Ms. Cao Zhiying	960,000,000	13.74	960,000,000	12.29
Skytop Technology Limited	460,000,000	6.58	460,000,000	5.89
Freeman Financial Corporation Limited	380,920,960	5.45	380,920,960	4.87
Public shareholders	2,732,547,040	39.10	2,732,547,040	34.97
Maximum number of conversion shares may be issued to redeem all the outstanding convertible bonds	–	–	825,958,700	10.57
	6,988,392,660	100.00	**7,814,351,360**	**100.00**

There will be no dilutive impact on the earning per share if the conversion shares of 825,958,700 were issued at 31 March 2015.

The redemption of the convertible bonds by issuing the Company's shares will not have any impact on the cash flow of the Group.

The analysis of the Company's share price at which it would be equally financially advantageous for the bondholder to convert the convertible bonds based on its implied rate of return at a range of dates in the future:

Suggested Conversion date	**Company's share price**	**Implied rate of return of bondholder** *(%)*
30 September 2015	HK$0.8729	6*
31 March 2016	HK$0.8984	6*

* Assume 3 month HIBOR is 0.5%.

34. DEFERRED TAX LIABILITIES

a) The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

	Group		
	Fair value gains on customer contract	Fair value gains on exploration rights component	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2013	–	272,283	272,283
Credited to profit or loss *(note 11)*	–	(31,570)	(31,570)
Exchange adjustment	–	282	282
At 31 March 2014 and 1 April 2014	–	240,995	240,995
Acquisition of Rander International Limited *(note 39)*	196,694	–	196,694
Credited to profit or loss *(note 11)*	–	(166,334)	(166,334)
Exchange adjustment	1,620	(268)	1,352
At 31 March 2015	**198,314**	**74,393**	**272,707**

b) At 31 March 2015, the Group had unused tax losses of HK$311,460,000 (2014: HK$242,905,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The unrecognised tax losses of HK$272,685,000 (2014: HK$233,877,000) can be carried forward infinitively. The remaining HK$38,775,000 (2014: HK$9,028,000) will expire in next one to five years.

35. SHARE CAPITAL

	Note	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.0025 each (1 April 2013 and 31 March 2014: HK$0.01 each)			
Authorised share capital:			
At 1 April 2013 and 31 March 2014		30,000,000	300,000
Share subdivision	*(a)*	90,000,000	–
At 31 March 2015		**120,000,000**	**300,000**
Issued and fully paid share capital:			
At 1 April 2013		1,386,228	13,862
Issue of shares upon conversion of convertible notes	*(b)*	100,000	1,000
At 31 March 2014		1,486,228	14,862
Share subdivision	*(a)*	4,458,686	–
Issue of shares for acquisition of Rander International Limited	*(c)*	1,043,478	2,609
At 31 March 2015		**6,988,392**	**17,471**

Except for the above, during the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

Note

a) Pursuant to special resolution passed on 18 December 2014, each of the Company's authorised and issued shares of par value of HK$0.01 each were subdivided into 4 shares of par value of HK$0.0025 each ("Share Subdivision"). The Share Subdivision is effective on 19 December 2014, the authorised share capital of the Company was divided into 120,000,000,000 shares of HK$0.0025 each and the issued share capital of the Company was divided into 5,944,914,400 of HK$0.0025 each. Details of Share Subdivision are disclosed in the announcement by the Company on 12 November 2014 and 18 December 2014 and the circular of the Company dated 2 December 2014.

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

c) On 17 February 2015, the Company issued 1,043,478,260 new ordinary shares of HK$0.0025 each at HK$0.23 per share, as part of the consideration for the acquisition of 100% equity interest in Rander International Limited. Details are set out in note 39.

35. SHARE CAPITAL (cont'd)

Share option scheme

On 30 July 2004, shareholders' resolution of the Company was passed to terminate the share option scheme adopted by the Company on 9 October, 1997 and to adopt another share option scheme (the "2004 Scheme"). The purpose of the 2004 Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-caliber employees and attract human resources that are valuable to the Group. Eligible participants of the 2004 Scheme include employees (including executive directors), non-executive directors (including independent non-executive directors), suppliers of goods or services, customers, shareholders of the Group and persons or entity that provides research, development or other technological support to the Group. Unless otherwise terminated or amended, the 2004 Scheme will remain in force for 10 years from 11 August 2004, the date of the Stock Exchange's granting of the listing of and permission to deal in the shares to be issued pursuant to the exercise of options under the 2004 Scheme.

Pursuant to the 2004 Scheme, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time. The maximum number of shares insurable under share options to each eligible participant within any 12-month period is limited to 1% of the Company's shares in issue at any time. The offer of a grant of share options may be accepted within 28 days from the date of the offer with consideration of HK$1.00 being payable by the grantee. The exercise period of the share options granted is determinable by the directors, but no later than 10 years from the date of the offer. The subscription price for the shares in respect of which options are granted is determinable by the directors, but may not less than the highest of (1) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the option; (2) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the option; and (3) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

There were no outstanding options at the beginning of the financial year ended 31 March 2014. No share option has been granted by the Company under the 2004 Scheme during the period from 1 April 2014 to 10 August 2014 (date of expiration of 2004 Scheme) and the year ended 31 March 2014. The total number of Company's shares available for issue under the 2004 Scheme as at the date of the financial statements for the year ended 31 March 2014 was 7,965,280, representing 0.54% of the issued share capital of the Company as at the date of the consolidated financial statements for the year ended 31 March 2014.

35. SHARE CAPITAL (cont'd)

Share option scheme (cont'd)

The Company has adopted a new share option scheme (the "New Scheme") on 18 December 2014 upon the expiration of the 2004 Scheme. As a result, the Company can no longer grant any further options under the 2004 Scheme. The purpose of the New Scheme is to reward participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Eligible participants of the New Scheme comprise of (a) any employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company or its subsidiaries; (b) any non-executive director (including independent non-executive directors) of the Company or any of its subsidiaries; (c) any supplier of goods or services to an member of the Group; (d) any customer of the Group; and (e) any person or entity that provides research, development or other technological support to the Group. The New Scheme shall be valid and effective for a period of 10 years commencing on the adoption date after which period no further option shall be offered or granted but the provision of the New Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any option granted or exercised prior thereto or otherwise as may be required the New Scheme.

The principal terms of the New Scheme are:

a) The subscription price for the shares under the share option to be granted will be determined by the directors and will be the highest of:

   i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;

   ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

   iii) the nominal value of the shares on the date of grant.

b) The maximum number of the Company's shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in the nominal amount of the aggregate of shares in issue on the adoption date.

c) No option may be granted to any person such that the total number of the Company's shares issued and to be issued upon exercise of all options granted and to be granted to each participant in any 12-month period up to the date of the latest grant exceeds 1% of the number of the Company's shares in issue.

d) At any time, the maximum number of the Company's shares which may be issued upon exercise of all options which then have been granted and have yet to be exercised under the New Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the Company's shares in issue from time to time.

35. SHARE CAPITAL (cont'd)

Share option scheme (cont'd)

e) Any grant of share options to a director, chief executive or substantial shareholder of the Company or to any of their associates, is subject to approved in advance by the independent non-executive directors.

f) Any grant of share options to a substantial shareholders or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the prices of the shares of the Company at the date of grant) in excess of HK$5 millions, within any 12-month period, is subject to shareholders' approval in advance at a general meeting.

g) The offer of a grant of share options may be accepted within 5 days from the date of offer, to be accompanied by the payment of a consideration of HK$1 in total by the grantee.

The share options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights including those arising on the liquidation of the Company.

No share option was granted under the New Scheme during the period from 18 December 2014 to 31 March 2015.

The total number of the Company's shares available for issue under the New Scheme as at the date of these financial statements was 594,491,440, representing 8.5% of the issued share capital of the Company as at the date of these financial statements.

36. RESERVES

a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 43 and 44 of the financial statements.

36. RESERVES (cont'd)

b) Company

	Share premium account HK$'000	Contributed surplus HK$'000	Convertible bonds equity reserve HK$'000	Convertible notes equity reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000
At 1 April 2013	920,524	154,440	–	41,734	63,379	1,180,077
Conversion of convertible notes	125,855	–	–	(41,734)	–	84,121
Loss for the year – note 12	–	–	–	–	(22,300)	(22,300)
At 31 March 2014 and 1 April 2014	1,046,379	154,440	–	–	41,079	1,241,898
Issue of HK$700 million convertible bonds	–	–	57,815	–	–	57,815
Issue of shares at premium for acquisition of Rander International Limited	237,391	–	–	–	–	237,391
Loss for the year – note 12	–	–	–	–	(711,313)	(711,313)
At 31 March 2015	**1,283,770**	**154,440**	**57,815**	**–**	**(670,234)**	**825,791**

The contributed surplus of the Group arose (i) as a result of the Group reorganisation carried out on 12 September 1997 and represents the difference between the nominal value of shares of the subsidiaries acquired pursuant to the Group reorganisation, over the nominal value of the Company's shares issued in exchange therefore and (ii) as a result of the Group capital reorganisation carried out on 3 April 2009 in respect of capital reduction which became effective on 6 April 2009.

The contributed surplus of the Company arose (i) as a result of the same Group reorganisation scheme and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefore and (ii) as a result of the Group capital reorganisation carried out on 3 April 2009 in respect of capital reduction which became effective on 6 April 2009.

Under the Companies Act 1981 (as amended) of Bermuda, the Company may make distributions to its members out of the contributed surplus under certain circumstances.

37. COMMITMENTS

a) The Group leases certain properties under operating lease arrangements. Leases for properties are negotiated for terms of two to twenty years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Within one year	**3,395**	2,815
In the second to fifth years, inclusive	**2,123**	1,827
Over five years	**165**	544
	5,683	5,186

b) During the year ended 31 March 2014, the Group entered into the agreements through a subsidiary, Tianhe Smarter Energy Company Limited (formerly known as Shanghai Chaoyang Photovoltaic Company Limited) 天合智慧能源有限公司(前稱上海超陽光伏電力有限公司) with an independent third party ("the Vendor") in respect of the acquisition of 51% equity interest in Jilin Hareon Electric Development Company Limited 吉林海潤電力技術開發有限公司 ("JHED").

Pursuant to the agreements, the Group agreed as follows:

i) The Group is to be responsible for assisting JHED in securing financing for 80% of the costs of engineering, procurement and construction to be incurred by JHED (the "Total Project Cost"). The remaining 20% of the Total Project Cost (after deducting the paid-up capital of JHED) will be financed by additional capital or loans contributed by the members of JHED pro rata to their equity interest in JHED. It is estimated that the Total Project Cost to be RMB360 million (approximately HK$450 million) and the Group's estimated committed share to be RMB36,720,000 (approximately HK$45,900,000).

ii) After JHED's power plant is connected to the State grid, both parties agreed that, subject to the signing of the definitive contract, the Group will buy, the Vendor will sell its 49% equity interest in JHED at a price based on the pre-agreed formula, being the aggregate of the Vendor's share of (i) JHED's registered capital and shareholders loan provided and (ii) the amount by which the production capacity of the power plant (in terms of megawatt (MW)) multiplied by the unit price per MW to be agreed exceed the Total Project Cost and the related interest costs of JHED up to one month after the grid connection.

c) As mentioned in note 25(a), the Group shall acquire 100% equity interest of Jinchang Guoyuan Photovoltaic Company Limited 金昌國源電力有限公司. The total consideration of HK$500 million will be satisfied as to HK$100,000,000 by the allotment and issue of the Company's new shares and as to the balance payable in cash or by issue of loan note.

d) On 2 February 2015, the Group established a 95% owned subsidiary, Baotou Chaoyang Photovoltaic Company Limited 包頭超陽光伏電力有限公司, which has a registered capital of RMB1,000,000 (HK$1,248,900) and seeks to build and operate a 100MW solar power plant project in Baotou. At 31 March 2015, the Group had not yet made capital contribution of RMB950,000 (HK$1,186,455) to this subsidiary.

38. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Short-term employee benefits	**6,635**	5,610
Post-employment benefits	**113**	90
	6,748	5,700

Further details of directors' remuneration are disclosed in note 14 to the financial statements.

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

39. BUSINESS COMBINATIONS

Year ended 31 March 2015

On 17 February 2015, the Group completed the acquisition of 100% equity interest in Rander International Limited, which indirectly owns 100% equity interest in Jinchang Jintai Photovoltaic Company Limited 金昌錦泰光伏電力有限公司 ("Jinchang Jintai"). Jinchang Jintai is principally engaged in the operation of two solar power stations which are located in Jinchang, Gansu Province, PRC and have an aggregate production capacity of 100MW. Further details of this acquisition are set out in the Company's announcements dated 15 July 2014, 25 September 2014, 31 October 2014, 10 December 2014, 30 December 2014, 16 January 2015 and 17 February 2015 and the circular of the Company dated 31 December 2014.

The following table summarises the purchase consideration paid for the acquisition of Rander International Limited, the fair values of identifiable assets acquired and liabilities assumed at the date of acquisition:

Purchase consideration

	2015	2014
	HK$'000	*HK$'000*
Cash paid	**322,000**	–
Allotment of 1,043,478,260 new ordinary shares of the Company at HK$0.23 per share as consideration (see note 35)	**240,000**	–
	562,000	–

39. BUSINESS COMBINATIONS (cont'd)

The fair values of the identifiable assets and liabilities acquired at the date of acquisition

	2015	2014
	HK$'000	*HK$'000*
Property, plant and equipment	**853,497**	–
Intangible assets	**873,690**	–
Accounts receivable	**8,406**	–
Deposits and prepayments	**73,316**	–
Cash and bank balances	**5,270**	–
Other payables and accruals	**(25,139)**	–
Bank loans	**(738,266)**	–
Deferred tax liabilities	**(196,694)**	–
Total identifiable net assets at fair value	**854,080**	–

Gain on bargain purchase

	2015	2014
	HK$'000	*HK$'000*
Consideration transferred	**562,000**	–
Less: fair value of net assets acquired – shown as above	**854,080**	–
Gain on bargain purchase	**(292,080)**	–

Net cash outflow on acquisition of Rander International Limited

	2015	2014
	HK$'000	*HK$'000*
Consideration paid in cash	**322,000**	–
Less: cash and cash equivalents acquired	**(5,270)**	–
Net cash outflow	**316,730**	–

Acquisition-related costs amounting to HK$6,313,139 have been excluded from the consideration transferred and have been recognised as an expense in the current year's profit or loss.

39. BUSINESS COMBINATIONS (cont'd)

Impact of acquisition on the results of the Group

Rander International Limited and its subsidiaries contributed revenue of approximately HK$14,356,000 to the Group's turnover for the year ended 31 March 2015. However, the Group's loss for the year ended 31 March 2015 increased by approximately HK$2,950,000 due to the above acquisition.

Had the above business combination been taken place at the beginning of the year, the Group's loss for the year would have been approximately HK$148,800,000 and the Group's turnover would have been approximately HK$316,100,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed at the beginning of the reporting period, nor is it intended to be a projection of future results.

Year ended 31 March 2014

On 27 March 2014, the Group acquired 51% equity interest in Jilin Hareon Electric Development Company Limited 吉林海潤電力技術開發有限公司 ("JHED") from an independent third party for the purpose of investing into a solar energy business at a consideration of RMB510,000 (HK$638,000). JHED was established on 22 November 2013 and is a project company for the development of the 40MW photovoltaic power generation plant in Taonan, Jilin, the PRC.

The following table summarises the purchase consideration paid for the acquisition of JHED, the fair values of identifiable assets acquired and liabilities assumed at the date of acquisition:

	HK$'000
Purchase consideration	
Cash paid	638
The fair value of the identifiable assets and liabilities acquired at the date of acquisition	
Cash and bank balances	1,214
Liabilities	Nil
Total identifiable net assets at fair value	1,214
Non-controlling interests	(595)
	619
Goodwill arising on acquisition	
Cash paid	638
Less: fair value of net asset acquired	(619)
Goodwill (note 21)	19

39. BUSINESS COMBINATIONS (cont'd)

Net cash inflow on acquisition of a subsidiary

	HK$'000
Consideration paid in cash	638
Less: cash and cash equivalents acquired	(1,214)
Net cash inflow	(576)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's interest rate risk relates primarily to interest-bearing bank loans and other loans which carries interest at fixed rates. However, the convertible bonds carry interest at 3 months Hibor plus 5.5% per annum.

The directors closely monitor interest rate exposure and will consider entering into interest rate swap transactions to hedge significant interest rate risk should the risk arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative financial liabilities at the end of the reporting period.

At 31 March 2015, it is estimated that a general increase/decrease of 50 basis points in interest rate of variable rate convertible bonds, with all other variables held constant, would increase/decrease the Group's and Company's loss after tax and accumulated losses by approximately HK$2,600,000 (2014: HK$Nil). Other components of consolidated equity would not change in response to the general increase/decrease in interest rate.

Foreign currency risk

Certain bank balances and payables of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the directors monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The impact on the Group's result and total equity is not expected to be material in response to possible changes in the exchange rates of foreign currencies to which the Group is exposed.

Credit risk

The Group's credit risk is primarily attributable to trade receivables. This directors have a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customer operate and therefore significant concentration of credit risk primarily arise when the Group has significant exposure to individual customer.

At 31 March 2015, 93.07% (2014: 99.88%) of the total trade receivables was due from the Group's largest customer. In addition, certain customers are required to pay customers' deposits and receivable balances are monitored on an ongoing basis and therefore the Group's exposure to bad debts is not significant.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in note 24 to the financial statements.

The Group's cash balances are placed with financial institutions with sound credit ratings and the directors consider the Group's exposure to credit risk is low.

Liquidity risk

For the management of the liquidity risk, the Group monitors and maintains a sufficient level of cash and bank balances deemed adequate by the directors to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The directors review and monitor the Group's working capital requirements regularly.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

Group

At 31 March 2015

	Contractual undiscounted cash flow							
	On demand HK$'000	**Less than 3 months HK$'000**	**3 to 12 months HK$'000**	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**	**More than 5 years HK$'000**	**Total HK$'000**	**Carrying amount HK$'000**
Accounts payable	**2**	**–**	**–**	**–**	**–**	**–**	**2**	**2**
Other payables and accruals	**29,162**	**–**	**–**	**–**	**–**	**–**	**29,162**	**29,162**
Margin loan payable	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other loans	**7,497**	**–**	**–**	**–**	**–**	**–**	**7,497**	**7,497**
Bank loans	**–**	**12,148**	**41,343**	**64,343**	**285,908**	**717,117**	**1,120,859**	**741,847**
Convertible bonds	**–**	**10,271**	**8,239**	**–**	**–**	**–**	**18,510**	**663,246**
	36,661	**22,419**	**49,582**	**64,343**	**285,908**	**717,117**	**1,176,030**	**1,441,754**

The contractual maturity analysis on the convertible bonds are prepared with the assumption that the Company will issue conversion shares to redeem all the outstanding convertible bonds at the date of the first anniversary of the date of the initial issue date of the convertible bonds.

At 31 March 2014

	Contractual undiscounted cash flow							
	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Accounts payable	530	–	–	–	–	–	530	530
Other payables and accruals	4,937	–	–	–	–	–	4,937	4,937
Margin loan payable	10,326	–	–	–	–	–	10,326	10,326
Other loans	10,000	15,000	2,501	–	–	–	27,501	27,501
Bank loans	–	–	–	–	–	–	–	–
Convertible bonds	–	–	–	–	–	–	–	–
	25,793	15,000	2,501	–	–	–	43,294	43,294

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

Company

At 31 March 2015

	Contractual undiscounted cash flow						
	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Amount due to a subsidiary	6,720	–	–	–	–	6,720	6,720
Other payables and accruals	1,647	–	–	–	–	1,647	1,647
Convertible bonds	–	10,271	8,239	–	–	18,510	663,246
	8,367	10,271	8,239	–	–	26,877	671,613
Financial guarantee issued:							
Maximum amount guaranteed (note 45)	741,847	–	–	–	–	741,847	–

The contractual maturity analysis on the convertible bonds are prepared with the assumption that the Company will issue conversion shares and redeem all the outstanding convertible bonds at the date of the first anniversary of the date of the initial issue date of the convertible bonds.

At 31 March 2014

	Contractual undiscounted cash flow						
	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Amount due to a subsidiary	5,760	–	–	–	–	5,760	5,760
Other payables and accruals	873	–	–	–	–	873	873
Convertible bonds	–	–	–	–	–	–	–
	6,633	–	–	–	–	6,633	6,633
Financial guarantee issued:							
Maximum amount guaranteed	–	–	–	–	–	–	–

Price risk

The Group and the Company are exposed to equity securities price risk on the financial assets at fair value through profit or loss, which are measured at fair value at the end of the reporting period. In order to mitigate such risk, the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Price risk (cont'd)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to listed equity securities price risk at the end of the reporting period.

If the prices of the respective listed equity securities had been 5% (2014: 5%) higher/lower, the Group's loss for the year ended 31 March 2015 would decrease/increase by approximately HK$10,890,000 (2014: HK$2,711,000) as a result of the changes in fair value of financial assets at fair value through profit or loss.

Fair value measurement

i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observablility and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Fair value measurement (cont'd)

i) Financial assets and liabilities measured at fair value (cont'd)

Fair value hierarchy (cont'd)

The Group had engaged an independent firm of professionally qualified valuers performing valuations for the financial instruments, including derivative component in respect of convertible bonds and convertible notes which are categorised into Level 3 of the fair value hierarchy. The valuers reported directly to the directors of the Company. A valuation report with analysis of changes in fair value measurement is prepared by the valuers at each interim and annual reporting date, and was reviewed and approved by the directors of the Company.

		Group and Company				
	Fair value at 31 March 2015	**Fair value measurement at 31 March 2015 categorised into**			**Total carrying amount at 31 March 2015**	**Valuation technique and key input**
		Level 1	**Level 2**	**Level 3**		
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	
Assets						
Financial assets at fair value through profit or loss	**217,671**	**217,671**	**–**	**–**	**217,671**	**Quoted bid prices in an active market**

		Group and Company				
	Fair value at 31 March 2014	Fair value measurement at 31 March 2014 categorised into			Total carrying amount at 31 March 2014	Valuation technique and key input
		Level 1	Level 2	Level 3		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	
Assets						
Financial assets at fair value through profit or loss	54,238	54,238	–	–	54,238	Quoted bid prices in an active market

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Fair value measurement (cont'd)

i) Financial assets and liabilities measured at fair value (cont'd)

Fair value hierarchy (cont'd)

During the years ended 31 March 2015 and 2014, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Conversion option derivative component of convertible notes

	Group and Company *HK$'000*
At 1 April 2013	18,623(Note)
Conversion of HK$100,000,000 convertible notes (note 32)	(18,623)
At 31 March 2014	–

Note: Valuation of the conversion option derivative component of convertible notes, which were categorized into Level 3 of the fair value hierarchy were prepared by independent valuers using Binomial Option Pricing Model.

Derivative component of convertible bonds

	Group and Company *HK$'000*
At 1 April 2014	–
HK$700 million convertible bonds issued on 12 September 2014	(9,817)
Change in fair value recognised in profit or loss	9,817
At 31 March 2015	**–**

ii) Fair value of financial instruments carried at other than fair value

Except as stated below, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 March 2015 and 2014.

As set out in note 18, the Company maintained various balances with its subsidiaries. It is not practical to estimate the fair values of these balances due to the related party nature of these financial instruments.

41. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital risk management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. Net debt includes interest-bearing bank and other borrowings, less cash and bank balances, and excludes discontinued operations. Capital includes equity attributable to equity holders of the Company. The gearing ratio as at the end of the reporting periods was as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Borrowings		
Margin loan payable	**–**	10,326
Other loans	**7,497**	27,501
Bank loans	**741,847**	–
Convertible bonds	**663,246**	–
Total borrowings	**1,412,590**	37,827
Less: time deposit and cash and bank balances	**(138,008)**	(20,465)
Net debt	**1,274,582**	17,362
Total equity	**951,331**	780,607
Gearing ratio	**134.0%**	2.2%

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

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

Group

2015

	Financial assets at fair value through profit or loss *HK$'000*	Loans and receivables *HK$'000*	Available-for-sale financial assets *HK$'000*	Total *HK$'000*
Financial assets				
Available-for-sale financial assets	–	–	7,800	7,800
Accounts receivable	–	25,096	–	25,096
Deposits and other receivables	–	240,640	–	240,640
Financial assets at fair value through profit or loss	217,671	–	–	217,671
Time deposit and cash and bank balances	–	138,008	–	138,008
	217,671	403,744	7,800	629,215

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Accounts payable	2
Other payables and accruals	29,162
Customers' deposits	802
Margin loan payable	–
Other loans	7,497
Bank loans	741,847
Convertible bonds	663,246
	1,442,556

42. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Group

2014

	Financial assets at fair value through profit or loss *HK$'000*	Loans and receivables *HK$'000*	Available-for-sale financial assets *HK$'000*	Total *HK$'000*
Financial assets				
Available-for-sale financial assets	–	–	7,800	7,800
Accounts receivable	–	2,257	–	2,257
Deposits and other receivables	–	7,345	–	7,345
Financial assets at fair value through profit or loss	54,238	–	–	54,238
Time deposit and cash and bank balances	–	20,465	–	20,465
	54,238	30,067	7,800	92,105

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Accounts payable	530
Other payables and accruals	4,937
Customers' deposits	1,682
Margin loan payable	10,326
Other loans	27,501
Bank loans	–
Convertible bonds	–
	44,976

42. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Company

2015

	Financial assets at fair value through profit or loss *HK$'000*	Loans and receivables *HK$'000*	Total *HK$'000*
Financial assets			
Deposits and other receivables	–	2,538	2,538
Financial assets at fair value through profit or loss	217,671	–	217,671
Time deposit and cash and bank balances	–	35,277	35,277
	217,671	37,815	255,486

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Amount due to a subsidiary	6,720
Other payables and accruals	1,647
	8,367

Company

2014

	Financial assets at fair value through profit or loss *HK$'000*	Loans and receivables *HK$'000*	Total *HK$'000*
Financial assets			
Deposits and other receivables	–	1,529	1,529
Financial assets at fair value through profit or loss	54,238	–	54,238
Time deposit and cash and bank balances	–	4,106	4,106
	54,238	5,635	59,873

42. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Company (cont'd)

2014 (cont'd)

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Amount due to a subsidiary	5,760
Other payables and accruals	873
	6,633

43. BANKING FACILITIES/BORROWINGS

Details of the margin loan, other loans, bank loans, convertible notes and convertible bonds are set out in notes 30, 31, 32 and 33 respectively.

44. MAJOR NON-CASH TRANSACTIONS

i) During the year ended 31 March 2015, as part of the consideration for the acquisition of Rander International Limited (note 39), 1,043,478,260 ordinary shares with aggregate fair values amounted to HK$240,000,000 were issued.

ii) During the year ended 31 March 2014, the holder of convertible notes with principal amount of HK$100,000,000 had converted the convertible notes into 100,000,000 ordinary shares of the Company, details of which were disclosed in note 32.

45. CONTINGENT LIABILITIES

At 31 March 2015 and 2014, the Group did not have any significant contingent liabilities.

At 31 March 2015, the Company has issued a single guarantee of RMB598,000,000 (HK$746,847,200) to a bank in respect of the loans granted by the bank to a wholly-owned subsidiary of the Company (note 31).

The Company has not recognised any deferred income in respect of the single guarantee as its fair value cannot be reliably measured using observable market data and its transaction price was HK$ Nil.

46. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

a) On 3 June 2015, a Company's wholly-owned subsidiary, Tianhe Smarter Energy Company Limited 天合智慧能源有限公司 ("Tianhe Smarter Energy") and Jinhua 658 Investment Management Company Limited 金華六伍八投資管理有限公司 ("658"), an independent third party, entered into an agreement to establish a joint venture, Shanghai Tianhe Smarter Energy Technology Company Limited上海天合智慧能源科技有限公司 ("Shanghai Tianhe"). Shanghai Tianhe, the registered capital of which is RMB10,000,000 is held as to 51% by Tianhe Smarter Energy through cash contribution of RMB5,100,000, with the remaining 49% interest held by 658 through cash contribution of RMB4,900,000. Shanghai Tianhe is mainly engaged in "Internet Finance Plus Smart Energy", and aims to develop on internet based financing platform for offline smart energy projects through crowdfunding, asset backed and finance lease financing structures, with a view to diversifying the sources of financing for the projects in the smarty energy sector.

46. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD (cont'd)

b) As mentioned in note 25(b), the Company's wholly-owned subsidiary, Tianhe Smarter Energy entered into a cooperation framework agreement with an independent third party, Shanghai Hua Xing Electronic Company Limited上海華星電器有限公司("Shanghai Hua Xing") to acquire its subsidiary, Shanghai Xin Lan Electric Company Limited上海昕嵐電力有限公司("Shanghai Xin Lan"), which engages in the development of two distributed solar power projects in Shanghai. Pursuant to the supplemental agreement dated 10 April 2015 with the Group and Shanghai Hua Xing, an aggregate amount of earnest moneys of RMB90,000,000 have been paid which are refundable upon termination of cooperation and secured by a charge with the entire equity interest of Shanghai Xin Lan and guaranteed by Shanghai Hua Xing and its affiliate.

Pursuant to the acquisition agreement dated 17 June 2015, the Group agreed to acquire 100% equity interest in Shanghai Xin Lan at a consideration of RMB10,000,000 subject to the fulfillment of certain conditions precedent. The consideration of RMB10,000,000 to be settled on completion by way of set-off the earnest moneys of RMB90,000,000 paid to Shanghai Hua Xing. The balance of the said refundable earnest moneys of RMB80,000,000 can be credited towards future payment obligations to Shanghai Hua Xing under the cooperation framework agreement as described below.

Shanghai Xin Lan has one wholly-owned subsidiary, that it acquired for RMB1,000 in June 2015 from an independent third party which, the Company understands, is not an affiliate of the Shanghai Hua Xing. This subsidiary is incorporated in Dezhou, Shandong province, the PRC on 30 January 2015 with a registered capital of RMB2,000,000 which has not yet been paid up. It holds a distributed solar power project in Shandong.

c) On 17 June 2015, Shanghai Hua Xing, Tianhe Smarter Energy, Shanghai Xin Lan and Shanghai Zhu An Construction Services Company Limited上海築安建設工程有限公司("Shanghai Zhu An") entered into the cooperation framework agreement, the parties agreed that:–

i) Shanghai Hua Xing will source distributed solar power projects for Tianhe Smarter Energy and assist the Tianhe Smarter Energy to form relevant project companies and undertake preparatory work (including securing relevant regulatory approvals) on terms set out in individual project agreements to be entered between the parties. Any fee payable by Tianhe Smarter Energy or Shanghai Xin Lan under such individual project agreement will first be set off against the earnest moneys already paid as mentioned above;

ii) Shanghai Zhu An or its affiliate (or its nominees) will undertake Engineering Procurement Construction ("EPC") and maintenance works for each project taken up by Shanghai Xin Lan on specifications prescribed by Tianhe Smarter Energy and otherwise on terms to be set out in individual EPC contracts and maintenance contracts as the case may be.

47. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. The reclassifications had no impact on the Group's results for the year.

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 June 2015.

Five year Financial Summary

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out below:

RESULTS

	Year ended 31 March				
	2015	2014	2013	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Restated)			
TURNOVER	**202,410**	12,273	80,721	105,026	109,443
LOSS FROM OPERATING ACTIVITIES	**(247,096)**	(153,919)	(299,033)	(295,985)	(132,342)
Finance costs	**(43,336)**	(15,651)	(14,311)	(6,372)	(2,478)
LOSS BEFORE TAX	**(290,432)**	(169,570)	(313,344)	(302,357)	(134,820)
Income tax credit	**161,509**	31,570	61,513	73,393	12,676
LOSS FOR THE YEAR	**(128,923)**	(138,000)	(251,831)	(228,964)	(122,144)
Attributable to:					
Equity shareholders of the Company	**(28,778)**	(118,084)	(214,500)	(184,470)	(114,081)
Non-controlling interests	**(100,145)**	(19,916)	(37,331)	(44,494)	(8,063)
	(128,923)	(138,000)	(251,831)	(228,964)	(122,144)

ASSETS AND LIABILITIES

	At 31 March				
	2015	2014	2013	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
PROPERTY, PLANT AND EQUIPMENT	**856,102**	961	1,767	1,718	2,618
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**7,800**	7,800	7,800	7,800	7,800
EXPLORATION AND EVALUATION ASSETS	**300,985**	967,405	1,100,341	1,329,686	1,561,824
INTANGIBLE ASSETS	**876,272**	–	–	–	1,291
CONVERTIBLE NOTES	**–**	–	–	–	398
CURRENT ASSETS	**625,435**	91,002	87,545	108,982	67,704
TOTAL ASSETS	**2,666,594**	1,067,168	1,197,453	1,448,186	1,641,635
CURRENT LIABILITIES	**42,459**	45,566	28,255	8,956	39,872
NON-CURRENT LIABILITIES	**1,672,804**	240,995	336,069	367,304	388,016
TOTAL LIABILITIES	**1,715,263**	286,561	364,324	376,260	427,888
NET ASSETS	**951,331**	780,607	833,129	1,071,926	1,213,747