亞洲煤業
ASIA COAL

Asia Coal Limited
亞洲煤業有限公司

Stock Code: 835

Annual Report
2014/15

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Corporate Information

DIRECTORS

Executive Directors

Zhu Xinjiang *(Chairman)*
Cheung Siu Fai
Sun David Lee
Yeung Ting Lap, Derek Emory

Independent Non-executive Directors

Edward John Hill III
Ho Man Kin, Tony
Li Kar Fai, Peter

AUDIT COMMITTEE

Li Kar Fai, Peter *(Chairman)*
Edward John Hill III
Ho Man Kin, Tony

REMUNERATION COMMITTEE

Ho Man Kin, Tony *(Chairman)*
Edward John Hill III
Li Kar Fai, Peter

NOMINATION COMMITTEE

Zhu Xinjiang *(Chairman)*
Ho Man Kin, Tony
Li Kar Fai, Peter

COMPANY SECRETARY

Chan Kwong Leung, Eric

AUDITOR

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35/F., One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

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2 Church Street
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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Garden Road
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

LEGAL ADVISERS AS TO HONG KONG LAWS

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Hong Kong

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SHARE LISTING

Listed on The Stock Exchange of Hong Kong Limited
Stock Code: 835

Chairman's Statement

Dear Shareholders,

The PRC and global coal industry continued to suffer from coal price decline and oversupply during the reporting year, which increased the operating pressure for coal players both domestic and abroad.

Amidst such challenging market environment, the Company continued to capture opportunities to build itself into an international, professional and diversified energy company. Given its ample supply and reliability, coal continues to be an essential resource to fuel the economic growth of PRC and other Asian countries. Coal price is expected to reach its bottom in 2015 and is expected to rebound in the short term as global fuel prices show signs of recovery and implementation of supportive coal policies and market consolidations continue. According to the Energy Development Strategy Action Plan (2014-2020), the State Council is launching national programs to upgrade the efficiencies of coal-fired power plants and coal-fired industrial furnaces. According to the China Energy Fund Committee, the National Development and Reform Commission (NDRC) has taken measures to optimize coal-fired power plants to reduce operating costs for producing clean coal-generated energy. These favorable policies, together with the PRC Government's new strategies to promote clean coal, present a positive backdrop for the Company's business and expansion plans.

Confident in the long-term development of the PRC coal industry, the Company commenced its coal trading business in 2014 which began to provide stable income to the Company. Meanwhile, the Company has been actively seeking market opportunities for the expansion of our foothold in the coal energy business. We also believe that the current market condition represents an opportunity for us to develop leading energy solutions and to experiment with various low carbon and clean coal technologies.

To realize the Company's goal of becoming a responsible international energy company and to leverage our opportunities of the PRC's clean energy revolution, the Group has devised the following strategies:

– Add new revenue streams through mergers and acquisitions of competitive, quality coal mines.

– Develop and deploy clean-coal technologies to provide low-cost, highly effective and clean energy source.

– Explore investment opportunity along the coal value chain, from coal mining, producing and trading to coal chemicals.

Through unique clean coal initiatives, the Company aims to bring together the elite among energy technology experts, forge new partnerships to achieve more efficient, profitable and cleaner coal production and applying our expertise and experience in the capital markets.

Chairman's Statement

Looking ahead, the global economy will continue to recover steadily and the PRC's economic development will also be stepping into the 'new normal'. The global coal industry will gradually improve resulting from the growing demand for coal in emerging markets.

According to the International Energy Agency's latest annual "Medium-Term Coal Market Report", coal maintained its position as the second-largest primary energy source in 2013, growing faster than all other conventional energy sources at a rate of 2.4% year-on-year on a tonnage basis. With abundant supply and low prices, the cost of exploring for and producing coal remains the lowest of any conventional energy source. Thus it is expected that the global demand for coal will continue to grow, crossing the 9-billion-tonne threshold in 2019. In addition, coal consumption worldwide is forecast to increase by 2.1% per year until 2019 (equivalent to an increase of 772 million tonnes). The escalating power generation needs in India and ASEAN countries will drive up demand for coal, and will sustain that demand over the next two to three decades. The Company remains optimistic towards the medium to long-term development of the coal industry.

To grasp the rising market opportunities of new energy solution and increasing coal demand from overseas markets, the Company will continue to identify new business opportunities for business expansion. The Company will focus on the southwest region in the PRC owing to the PRC Government's 'one-belt-one-road' policy which indicates huge demand of coal as the infrastructure pipelines are in place. The Company will also seek opportunities to tap the overseas market in both coal mining and coal trading businesses.

The future of the Group lies in the hands of dedicated team of board members, management and staff. I would like to take this opportunity to thank the valuable support and trust from the board of directors, shareholders and customers, and the relentless efforts of our management team and employees to build a strong business foundation for our future growth. We will work towards our goals and to maximize shareholders' value in the long term.

Yours faithfully,

Zhu Xinjiang
Chairman

Hong Kong, 30th June 2015

Management Discussion and Analysis

BUSINESS REVIEW

During the year, the Group continued to engage in coal mining business and commenced its coal trading business.

As stated in the announcement made by the Company on 9th June 2014, the Group discontinued the health and beauty segment upon the expiration of the service agreement, details of which are set out in the segmental analysis section below.

FINANCIAL REVIEW

Results Analysis

For the year ended 31st March 2015, the Group generated an aggregate turnover from continuing and discontinued operations of approximately HK$40 million, representing an increase of HK$28 million or 223% as compared to the previous financial year. The increase in turnover was attributable to the commencement of the coal trading business during the year as detailed in the segmental analysis section below.

The Group recorded an overall gross profit from continuing and discontinued operations of approximately HK$9,839,000, representing a 3% increase from approximately HK$9,591,000 recorded in the previous financial year. The overall gross profit margin from continuing and discontinued operations for the year decreased to 24% from 77% of the previous financial year. The decrease was mainly due to the discontinuation of the health and beauty segment during the year and that in spite of the substantial turnover of the coal trading business, the profit margin of this segment is relatively low.

Loss attributable to owners of the Company decreased to approximately HK$25 million from HK$144 million as recorded in the previous financial year. The decrease in loss was mainly due to the nonrecurring impairment loss on exploration and evaluation assets of approximately HK$115 million as recorded in the previous financial year.

Segmental Analysis

Coal Mining

As disclosed in the Company's Annual Report 2013/14, during the year ended 31st March 2014, a revocation letter (the "Letter") was received from the Minerals Authority of Mongolia (the "Authority") informing SMI LLC ("SMI") that the mining right license MV-011985 (the "License") had been revoked. After seeking the professional legal advice, a formal appeal letter against the Letter was submitted to the Authority on 6th March 2014 and the Group has also taken legal action against the revocation decision in Mongolian Court on 19th March 2014.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

Segmental Analysis *(Continued)*

Coal Mining *(Continued)*

SMI received a letter dated 6th April 2015 from the Authority informing SMI that the License has been restored by an order of the Authority dated 3rd April 2015.

Notwithstanding the restoration of the License, no reversal of impairment loss of the mining right licenses is made for the year. The following are factors which have been considered by the directors of the Company:

- The Mining Prohibition Law ("MPL"), as defined in the Company's Annual Report 2012/13, may significantly restrict the mining exploration activities of the Group;

- The compensation investigation of any enforcement in relation to the MPL is still in progress by the Authority and the related departments, and accordingly the amount and timing of any compensation cannot be determined; and

- The legal and political environment of Mongolia remains uncertain.

The directors of the Company will continue to review the carrying amount of the mining rights and assess the recoverable amount by taking into account, among others, the overall market conditions for coal and any impact arising from the MPL. If the compensation amount and timing of receipt under the MPL could be accurately determined, the reversal of the impairment of mining right license may be recognised as income immediately.

Coal Trading

During the year ended 31st March 2015, the Group commenced the coal trading business through the selling of purchased coal so as to refine its strategy in the coal and energy sector.

Turnover contributed by the coal trading segment for the year amounted to approximately HK$29 million and the gross profit for the year amounted to approximately HK$2 million, representing a 6% gross profit margin. The coal trading business was in its initial setup stage and will continue to benefit the Group by providing stable income stream. The Group will closely review the market development and seek for the best opportunities for the Group.

Health and Beauty Products and Services

As disclosed in the Company's Annual Report 2013/14, the Group disposed one of the subsidiaries at a consideration of HK$1 to Mr. Andy Kwok Wing Leung ("Mr. Kwok") on 6th December 2013, because of the continuing losses of the subsidiary. On the same date, the Company entered into an agreement (the "Service Agreement") with Mr. Kwok whereby the Company has appointed Mr. Kwok to manage the health and beauty segment for the Group for a period of six months ended 31st May 2014 at a monthly fee of HK$100,000 and Mr. Kwok has undertaken to the Company that during the said six months there would not be any net loss suffered from the health and beauty segment.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

Segmental Analysis *(Continued)*

Health and Beauty Products and Services *(Continued)*

As stated in the announcement made by the Company on 9th June 2014, the Group could not reach any agreement with Mr. Kwok to extend the term of the Service Agreement after its expiration. Upon the expiration of the Service Agreement, the Company had discontinued the health and beauty segment.

As a result of the discontinuation of the health and beauty segment, the turnover contributed by the health and beauty segment for the year amounted to HK$11 million, representing a 11% decrease as compared to the previous financial year, the gross profit amounted to HK$8 million, representing a 15% decrease as compared to the previous financial year and the gross profit margin of the segment decreased from 77% as recorded in previous year to 73% for this year.

Liquidity, Financial Position and Capital Structure

As at 31st March 2015, the Group held cash and bank balances amounting to approximately HK$36,583,000 (2014: HK$20,131,000) while the total borrowings of the Group were approximately HK$25,621,000 (2014: HK$24,481,000). As at 31st March 2015, the borrowings included amounts due to related parties, bank and other borrowings and obligations under finance leases.

The gearing ratio, defined as the ratio of total borrowings less cash and bank balances to equity attributable to owners of the Company, was (42.4)% (2014: (216.8)%).

On 13th August 2014, the Company entered into two subscription agreements with two subscribers, pursuant to which the subscribers could subscribe for 200,000,000 and 2,000,000 subscription shares respectively at the subscription price of HK$0.10 per share (the "August Subscription"). The directors of the Company believed that the August Subscription represented an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The directors of the Company considered that the August Subscription was fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The August Subscription was completed on 22nd August 2014. An aggregate of 202,000,000 subscription shares were successfully issued to the subscribers at the subscription price of HK$0.10 per share. The net proceeds from the August Subscription amounted to approximately HK$20 million. The net price of each subscription share is approximately HK$0.10 per share. The subscription price represented a discount of approximately 4.76% to the closing price of HK$0.105 per share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the subscription agreements.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

Liquidity, Financial Position and Capital Structure *(Continued)*

The Group intended to utilise the net proceeds of approximately HK$20 million from the August Subscription for general working capital and business development of the Group. Up to the date of approval of these consolidated financial statements, the net proceeds were utilised as to HK$4 million for repayment of the bank borrowings and HK$16 million as the Group's general working capital, of which HK$7 million for staff costs, HK$4 million for rental expenses and the remaining for other administrative and professional expenses. The directors of the Company confirmed that the proceeds from the August Subscription have been applied in accordance with its intended uses.

On 25th March 2015, the Company entered into two subscription agreements with two subscribers, pursuant to which the subscribers could subscribe for 230,770,000 (the "First March Subscription") and 153,850,000 (the "Second March Subscription") subscription shares respectively at the subscription price of HK$0.13 per share (collectively the "March Subscription"). The directors of the Company believed that the March Subscription represented an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The directors of the Company considered that the March Subscription was fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The First March Subscription and Second March Subscription was completed on 31st March 2015 and 4th May 2015 respectively. An aggregate of 384,620,000 subscription shares were successfully issued to the subscribers at the subscription price of HK$0.13 per share. The net proceeds from the March Subscription amounted to approximately HK$50 million. The net price of each subscription share is approximately HK$0.13 per share. The subscription price represented a discount of approximately 13.33% to the closing price of HK$0.15 per share as quoted on the Stock Exchange on the date of the subscription agreements. The Group intended to utilise the net proceeds of approximately HK$50 million from the March Subscription for general working capital and business development of the Group. Up to the date of approval of these consolidated financial statements, the net proceeds from the March Subscription were held as bank deposits and not yet utilised.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Foreign Exchange Risk Management

During the year ended 31st March 2015, the Group experienced only immaterial exchange rate fluctuations as the functional currencies of the Group's operations were mainly Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered not significant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

Charges on Assets

As at 31st March 2015, property, plant and equipment with carrying values of approximately HK$5,464,000 were pledged to secure the Group's borrowings from a non-bank financial institution and obligations under finance leases.

Contingent Liabilities

As at 31st March 2015, the Group had no significant contingent liabilities.

PROSPECTS AND OUTLOOK

In 2015, the PRC Government will focus on maintaining a steady GDP growth, projected to be around 7 percent. A progressive real economy will be conducive to maintaining steady demand for energy. Coal price is expected to reach its bottom entering 2015 and is expected to rebound gradually with the implementation of supportive coal policies by the PRC Government and market consolidations continue. To comply with tightening international environmental standards, the PRC Government will take further proactive measures to guide the energy industry onto the path of sustainable development, including the development of clean coal.

The current environment presents the Group with both challenges and opportunities. The Group has set clear goals and targets which will lead the Group towards future success in the coal industry in the long run. Going forward, the Group aims to scale up its core business through mergers and acquisitions of suitable energy projects, and will step up its efforts in developing new business and expanding market footholds.

The Group will continue to expand its customer base across different industries and markets by responding proactively to market changes while continuing to pursue its development strategies. To maintain its coal sourcing and supply services to customers, the Company has set the following long-term goals:

- Acquire operating projects and increase coal production capacity through mergers and acquisitions;

- Maximize the potential of projects by enlisting support from technical experts on clean energy technologies;

- Collaborate with other leading organizations in the industry and extend the Company's reach in the coal and natural resources market

With a solid commercial foundation and an experienced management team, the Company is well-poised for growth, targeting to become an internationally respected organization and create greater value for shareholders of the Company.

Management Discussion and Analysis

HUMAN RESOURCES AND ENVIRONMENTAL MATTERS

As at 31st March 2015, the Group had a total of 20 employees. The Group believes its success and long-term growth depends primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are also offered to qualified employees based on individual and Group's performance.

The principal activities of the Group are coal mining and coal trading. Nevertheless, the Group has not commenced any development or production activity on the coal mines up to the date of this annual report. Meanwhile, the coal trading is a business process through third parties. Hence, the principal activities of the Group do not give arise to any material adverse influences to the environment. The Group will take appropriate measures and action as and when necessary to deal with or otherwise minimize any possible emissions or hazardous materials which may arise from its business activity processes.

Corporate Govenance Report

CORPORATE GOVERNANCE PRACTICES

The board (the "Board") of directors (the "Directors") of the Company has always recognized the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has, throughout the year ended 31st March 2015, applied the principles and complied with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") save and except certain deviations as more specifically described below. The current practices will be reviewed and updated regularly so that the latest development in corporate governance can be followed and observed.

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. The Company, having made specific enquiry, confirms that all Directors have fully complied with the Model Code throughout the financial year ended 31st March 2015.

BOARD OF DIRECTORS

The Board currently comprises seven Directors and their respective roles are set out as follows:

Executive Directors

Mr. Zhu Xinjiang	*(Chairman)*
Mr. Cheung Siu Fai	*(appointed on 15th May 2014)*
Mr. Sun David Lee	
Mr. Yeung Ting Lap, Derek Emory	

Independent Non-executive Directors

Mr. Edward John Hill III
Mr. Ho Man Kin, Tony
Mr. Li Kar Fai, Peter

During the year, the Board held seven Board meetings. The company secretary of the Company (the "Company Secretary") assisted the Chairman and the Executive Directors in establishing the meeting agenda, and each Director was able to request inclusion of items in the agenda. All such meetings were convened in accordance with the bye-laws of the Company (the "Bye-laws"). Code provision A.1.3 of the CG Code requires that notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. During the year, certain regular Board meetings were convened with less than 14 days' notice in order to enable the Board members to react timely and carry out expeditious decision making in respect of certain business matters which were significant to the Group's business. As a result, the aforesaid regular Board meetings were held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavor to meet the requirement of code provision A.1.3 of the CG Code in the future. Adequate and appropriate information are circulated to the Directors normally three days in advance of the Board meetings or such period as accepted by them. In addition to regular Board meetings, the Chairman of the Board held a meeting with the Independent Non-executive Directors without the presence of other Executive Directors during the year.

Corporate Govenance Report

BOARD OF DIRECTORS *(Continued)*

During the year, the Board at all times met the requirements under Rule 3.10 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received, from each of the Independent Non-executive Directors (including Mr. Ho Man Kin, Tony and Mr. Li Kar Fai, Peter, who have served on the Board for more than nine years), the respective annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors are independent.

The Board members have no financial, business, family or other material/relevant relationship with each other. Given the nature and business objective of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The list of current Directors and their respective biographies are set out on pages 21 and 22 of this annual report.

Pursuant to bye-law 110(A) of the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. All retiring Directors shall be eligible for re-election. All Independent Non-executive Directors have been appointed for specific terms.

Pursuant to bye-law 101 of the Bye-laws, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board, shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at such meeting.

Corporate Govenance Report

BOARD OF DIRECTORS *(Continued)*

While daily operation and administration are delegated to the management, the Board is responsible for the types of decisions relating to the following aspects:

- Formulation of operational and strategic direction of the Group;
- Monitoring the financial performance of the Group;
- Overseeing the performance of the management;
- Ensuring a prudent and effective framework of internal control is in place to enable risks to be assessed and managed; and
- Setting the Company's values and standards.

The Board held meetings from time to time whenever necessary. Minutes of meetings of the Board, Audit Committee, Nomination Committee and Remuneration Committee are circulated to all Directors or relevant committee members for their perusal and comments and the approved minutes are kept by the Company for inspection by the Directors. The Board also ensures that the Directors are supplied in a timely manner with the agenda and all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

The attendance record of individual Director at Board and committee meetings as well as the annual general meeting during the year is set out in the table on page 14 of this annual report.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

The Company has arranged appropriate and adequate Directors and Officers Liability Insurance to protect the Directors and officers of the Group against their potential legal liabilities.

Corporate Govenance Report

DIRECTORS' ATTENDANCE

During the year, details of individual Director's attendance at the Board meetings, Board Committees meetings and the annual general meeting of the Company held on 25th August 2014 (the "AGM") are set out as follows:

	Number of attendance/Eligible to attend				
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	AGM
Executive Directors					
Mr. Zhu Xinjiang[1]	5/7	N/A	N/A	2/2	0/1
Mr. Cheung Siu Fai	5/6	N/A	N/A	N/A	1/1
Mr. Sun David Lee	4/7	N/A	N/A	N/A	0/1
Mr. Yeung Ting Lap, Derek Emory	7/7	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Edward John Hill III	5/7	4/4	2/3	N/A	1/1
Mr. Ho Man Kin, Tony[2]	7/7	4/4	3/3	2/2	0/1
Mr. Li Kar Fai, Peter[3]	7/7	4/4	3/3	2/2	1/1

Notes:

1. Mr. Zhu Xinjiang is the chairman of the Board and the Nomination Committee.
2. Mr. Ho Man Kin, Tony is the chairman of the Remuneration Committee.
3. Mr. Li Kar Fai, Peter is the chairman of the Audit Committee.

Code provision E.1.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. Mr. Zhu Xinjiang, the Chairman of the Board, was unable to attend the AGM due to his other business engagements.

Code provision A.6.7 of the CG Code requires that the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Sun David Lee, an Executive Director, and Mr. Ho Man Kin, Tony, an Independent Non-executive Director, were unable to attend the AGM due to their other business engagements.

Corporate Govenance Report

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. The Company has maintained a training record in order to assist the Directors to record the training that they have undertaken and they are asked to submit a training record to the Company on annual basis.

During the year, all Directors have complied with the code provision A.6.5 of the CG Code through attending training courses, workshops or reading materials relevant to their professional qualifications and/or duties of Directors.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company did not officially have a position of chief executive officer since 15th October 2013 and Mr. Zhu Xinjiang, the Chairman of the Board, provides leadership to the Board to ensure that the Board works effectively and all important issues are discussed in a timely manner. The day-to-day management of the Group's business is handled by the Executive Directors collectively. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer, are necessary.

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties as set out below:

(1) To develop and review the Company's policies and practices on corporate governance;

(2) To review and monitor the training and continuous professional development of Directors and senior management;

(3) To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(4) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and

(5) To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Corporate Govenance Report

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board on a regular basis and making recommendations regarding any proposed changes, identifying and recommending individuals suitably qualified to become Board members, and assessing the independence of Independent Non-executive Directors. As at 31st March 2015, the Nomination Committee comprises one Executive Director, namely Mr. Zhu Xinjiang (Chairman) and two Independent Non-executive Directors, namely Mr. Ho Man Kin, Tony and Mr. Li Kar Fai, Peter. The Nomination Committee held two meetings during the year.

During the year, the Nomination Committee performed the following duties:

(1) reviewed the structure, size and composition of the Board;

(2) assessed the independence of Independent Non-executive Directors;

(3) made recommendation to the Board on nominating the retiring Directors for re-election at the AGM;

(4) made recommendation to the Board to adopt the Board Diversity Policy and the amended terms of reference of the Nomination Committee; and

(5) nominated a new Director for appointment to the Board.

The complete attendance record of individual committee member is set out in the table on page 14 of this annual report.

With effect from 1st September 2013, code provision A.5.6 of the CG Code requires that the nomination committee (or the board) should have a policy concerning diversity of board members.

In compliance with the requirement set out in code provision A.5.6 of the CG Code, on 27th June 2014, the Board has approved the adoption of the Board Diversity Policy which sets out the approach to achieve diversity on the Board with a view to achieving a sustainable and balanced development of the Company. 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, professional qualification, skills, knowledge and length of service of the Directors. On the recommendation of the Nomination Committee, the Board also approved and adopted the amended terms of reference of the Nomination Committee in light of the requirement of the code provision A.5.6, and the same is published on the websites of the Stock Exchange and the Company.

Corporate Govenance Report

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management of the Company. No individual Director or any of his associates is involved in decisions relating to his own remuneration. The Remuneration Committee has adopted the model under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

As at 31st March 2015, the Remuneration Committee comprises three Independent Non-executive Directors, namely Mr. Ho Man Kin, Tony (Chairman), Mr. Edward John Hill III and Mr. Li Kar Fai, Peter. There were three meetings held by the Remuneration Committee during the year to (i) review the policy and structure of the remuneration of the Directors and senior management; (ii) review and make recommendations to the Board on the remuneration package of the newly appointed Director and senior management; and (iii) make recommendations to the Board on the remuneration of the Directors for the year ended 31st March 2015. The complete attendance record of individual committee member is set out in the table on page 14 of this annual report.

Details of the remuneration paid to Directors and member of senior management by band for the year ended 31st March 2015 are disclosed in note 15 to the consolidated financial statements of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for overseeing the internal control system of the Group. To facilitate the effectiveness and efficiency of operations and to ensure compliance with relevant laws and regulations, the Group emphasizes the importance of a sound internal control system which is also indispensable for mitigating the Group's risk exposures.

The Group's internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks. The Board is satisfied that, based on information furnished to it and on its own observations, the present internal controls of the Group are satisfactory.

The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's performance by the Audit Committee and the Board.

The Board has conducted review of the effectiveness of its internal control system and is of the view that the internal control system adopted for the year ended 31st March 2015 is sound and effective to safeguard the interests of the shareholders' investment and the Group's assets.

Corporate Govenance Report

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the internal control and financial report matters of the Company. The Audit Committee has reviewed the Group's annual results for the year ended 31st March 2015. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Li Kar Fai, Peter (Chairman), Mr. Edward John Hill III and Mr. Ho Man Kin, Tony. Mr. Li Kar Fai, Peter, the chairman of the Audit Committee, has professional qualification and in-depth experience in accounting and corporate finance. No member of the Audit Committee is a member of the former or existing auditor of the Company.

During the year, there were four meetings held by the Audit Committee to (i) review with the auditor of the Company the audited financial statements for the year ended 31st March 2014 and review the unaudited interim financial statements for the six months ended 30th September 2014, with recommendations to the Board for approval; (ii) review the report on internal control system covering financial, operational, procedural compliance and risk management functions; (iii) review with the management of the Company the accounting principles and practices adopted by the Group; and (iv) review and make recommendations to the Board on the auditor's re-appointment and remuneration. The complete attendance record of individual committee member is set out in the table on page 14 of this annual report.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the Group's financial position on a going concern basis and other price-sensitive announcements and financial disclosures. Management provides the Board with the relevant information it needs to discharge these responsibilities.

The responsibilities of the auditors with respect to these financial statements are set out in the "Independent Auditor's Report" on pages 34 and 35 of this annual report.

AUDITOR'S REMUNERATION

During the year ended 31st March 2015, the fees paid/payable to the external auditor, Messrs. Deloitte Touche Tohmatsu, in respect of its audit and non-audit services provided to the Group were as follows:

Nature of services rendered	**Fee paid/payable** HK$'000
Audit services	1,270
Non-audit services	
Advisory services	80
Other services	20
	1,370

Corporate Govenance Report

COMPANY SECRETARY

Mr. Chan Kwong Leung, Eric is the Company Secretary of the Company. According to Rule 3.29 of the Listing Rules, he has taken no less than 15 hours of relevant professional training during year ended 31st March 2015. Mr. Chan Kwong Leung, Eric is delegated by an external service provider and the primary contact person in the Company is Mr. Sun David Lee, the Executive Director.

CORPORATE COMMUNICATION WITH SHAREHOLDERS/INVESTORS

The CG Code requires the Company to have a dialogue with shareholders and the Board recognises the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information on the Group's operational and financial performances while general meetings offer a platform for shareholders to state and exchange views with the Board directly.

The management communicates continually with analysts and institutional investors and provides them up-to-date and comprehensive information regarding the Group's development. The Company practices timely dissemination of information including annual reports, interim reports, announcements and press releases, and is updated in a timely manner to ensure transparency.

SHAREHOLDERS' RIGHTS

Procedures for convening a special general meeting

Shareholders shall have the right to request the Board to convene a special general meeting (the "SGM") of the Company. Shareholders holding in aggregate of not less than one-tenth of the paid up capital of the Company may send a written request to the Board to request for the SGM.

The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the Company's head office and principal place of business in Hong Kong at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 74 of the Companies Act 1981 of Bermuda (the "Companies Act") once a valid requisition is received.

Corporate Govenance Report

SHAREHOLDERS' RIGHTS *(Continued)*

Procedures for shareholders to put forward proposals at general meetings

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

(a) any number of members representing not less than one-twentieth of the total voting rights of the Company on the date of the requisition; or

(b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the Company's head office and principal place of business in Hong Kong at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act once valid documents are received.

If a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should follow the "Procedures for shareholders to propose a person for election as a Director" which can be found on the website of the Company.

Shareholders may at any time send in their enquiries and concerns to the Board in writing via the following channel:

The Board of Directors/Company Secretary
Asia Coal Limited
Unit A, 60/F
Bank of China Tower
1 Garden Road
Central
Hong Kong
Email: ir@asiacoallimited.com
Telephone: (852) 2152 0098
Facsimile: (852) 2152 0810

Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

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

Biographical Details of Directors

EXECUTIVE DIRECTORS

Mr. ZHU Xinjiang ("Mr. Zhu")

Mr. Zhu, aged 40, was appointed as a Non-executive Director of the Company in March 2013 and was re-designated as the Chairman and an Executive Director of the Company in May 2013. Mr. Zhu is also a director of other members of the Group. Mr. Zhu has over 8 years of experience in the property development business and holds management positions in property development companies in Guangdong province of the People's Republic of China (the "PRC"). Mr. Zhu is a citizen of the PRC, the sole shareholder and director of Sharp Victory Holdings Limited, a substantial shareholder of the Company, and a real estate developer in Guangzhou of the PRC. Mr. Zhu indirectly owns 廣州仲源房地產開發有限公司 (Guangzhou Zhongyuan Real Estate Development Limited), a real estate development company in Guangzhou of the PRC and has been its executive director and chairman since 2005. Mr. Zhu has extensive experience in management of property development business, corporate merger and acquisition, distressed asset management, investment planning, business acquisition and development and corporate management.

Mr. CHEUNG Siu Fai ("Mr. Cheung")

Mr. Cheung, aged 45, was appointed as an Executive Director of the Company in May 2014. Mr. Cheung is also a director of other members of the Group. Mr. Cheung holds a Master Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor Degree in Electronic Engineering from The Hong Kong Polytechnic University. Mr. Cheung is a Certified Financial Analyst. Mr. Cheung is the partner of Hammer Capital Group Limited. Prior to founding Hammer Capital Group Limited, he was the Head of Asia Pacific of the Strategic Equity Solutions of Merrill Lynch (Asia Pacific) Limited ("Merrill Lynch"). Prior to his position at Merrill Lynch, he was the Head of Asia Pacific of the Strategic Equity Solutions and the Managing Director of the Structured Products of Asia of Citigroup Global Markets Asia Limited. He has also held key positions in various major investment banks in Asia Pacific like Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and JPMorgan Chase & Co..

Mr. SUN David Lee ("Mr. Sun")

Mr. Sun, aged 49, served as an Executive Director of the Company from August 2008 to May 2013, the Chairman of the Company from June 2011 to May 2013, a Non-executive Director of the Company from May 2013 to October 2013. From October 2013, Mr. Sun was re-designated from a Non-executive Director to an Executive Director of the Company. Mr. Sun is also a director of other members of the Group. Mr. Sun holds a Juris Doctor from the University of Illinois College of Law and a Bachelor of Art degree from Cornell University, the United States of America. Mr. Sun is currently an executive director of China Outfitters Holdings Limited and an independent non-executive director of Dynasty Fine Wines Group Limited, the shares of both of these companies are listed on the main board of the Stock Exchange. Mr. Sun is currently responsible for brands sourcing and transaction management of China Outfitters Holdings Limited and he is a director of CEC Management Limited. Prior to helping to form CEC Management Limited, he was the managing director and general counsel of Pacific Alliance Group Limited. Mr. Sun was the Director for Strategy and Business Development Asia at InBev. Prior to his position at InBev, he was a consultant in the Corporate Finance and Strategy Practice of McKinsey & Company, Inc. in Hong Kong. Prior to his position at McKinsey & Company, Inc., he practised law as an associate in the corporate group at Linklaters. Mr. Sun was also an executive director of China Beidahuang Industry Group Holdings Limited (formerly known as Sino Distillery Group Limited) from May 2005 to December 2012, the shares of which are listed on the main board of the Stock Exchange.

Biographical Details of Directors

Mr. YEUNG Ting Lap, Derek Emory ("Mr. Yeung")

Mr. Yeung, aged 42, was appointed as a Non-executive Director of the Company in September 2005 and was re-designated as an Executive Director of the Company in October 2013. Mr. Yeung is also a director of other members of the Group. Mr. Yeung holds a Bachelor Degree in Applied Mathematics and Economics from Brown University and a Master Degree in Business Administration and Accounting from Northeastern University, both in the United States of America. Mr. Yeung is currently the chief executive officer and co-founder of She.Com International Holdings Limited ("she.com"), an independent non-executive director of Dynasty Fine Wines Group Limited, the shares of which are listed on the main board of the Stock Exchange, and a director of Post Production Office Group. Prior to founding she.com, Mr. Yeung was an associate with Telecom Venture Group Limited and a consultant with Arthur Andersen & Company both in Boston and Hong Kong. He is a certified public accountant, a member of the Chinese People's Political Consultative Conference of Qingdao City, and a member of the Telecommunications Users and Consumers Advisory Committee Of Office of the Communications Authority. Mr. Yeung was also a non-executive director of China Beidahuang Industry Group Holdings Limited (formerly known as Sino Distillery Group Limited) from May 2005 to December 2012, the shares of which are listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Edward John HILL III ("Mr. Hill")

Mr. Hill, aged 40, was appointed as an Independent Non-executive Director of the Company in August 2012. Mr. Hill holds a Bachelor of Art Degree in East Asian Languages and Cultures (China Focus) and a Bachelor of Science Degree in Business Administration, both in the University of Kansas. Mr. Hill has over 13 years of experience across several different areas of banking, including mergers and acquisitions advisory, equity and debt capital markets, special situations trading, leveraged finance and corporate credit. Mr. Hill was a director of Technology, Media and Telecom and Financial Sponsors Investment Banking, Royal Bank of Scotland in Hong Kong.

Mr. HO Man Kin, Tony ("Mr. Ho")

Mr. Ho, aged 44, was appointed as an Independent Non-executive Director of the Company in March 2006. Mr. Ho holds a Bachelor's degree in Management Science from the University of St. Andrews. Mr. Ho was the Head of Special Situation Investments – Greater China, LaSalle Investment Management in Hong Kong and held key positions in various corporate advisory assignments. Mr. Ho has also worked as an equity investment analyst for various major investment banks in Hong Kong.

Mr. LI Kar Fai, Peter ("Mr. Li")

Mr. Li, aged 50, was appointed as an Independent Non-executive Director of the Company in March 2006. Mr. Li holds a Bachelor's degree in Accountancy from the City University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Li has extensive experience in corporate finance and accounting. Mr. Li is an independent non-executive director of Brilliance Worldwide Holdings Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

Directors' Report

The directors of the Company (the "Directors") have pleasure in presenting their annual report and the audited consolidated financial statements of the Company for the year ended 31st March 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the coal mining business and commenced the coal trading business.

RESULTS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 36 and 37 of this annual report.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 39 of this annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on page 90 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements during the year in the share capital are set out in note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31st March 2015, there are distributable reserves of the Company amounting to approximately HK$57,979,000 (2014: HK$57,979,000), calculated under The Companies Act 1981 of Bermuda.

BUSINESS REVIEW

The business review of the Group for the year ended 31st March 2015 is provided in the Management Discussion and Analysis of this annual report.

Directors' Report

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 98% and 99% respectively of the Group's total purchases for the year.

The aggregate sales attributable to the Group's largest customer and five largest customers taken together accounted for 62% and 76% respectively of the Group's total turnover for the year.

None of the Directors, their close associates or any shareholders of the Company (the "Shareholders") (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the five largest suppliers or customers.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors

Mr. Zhu Xinjiang *(Chairman)*
Mr. Cheung Siu Fai *(appointed on 15th May 2014)*
Mr. Sun David Lee
Mr. Yeung Ting Lap, Derek Emory

Independent Non-executive Directors

Mr. Edward John Hill III
Mr. Ho Man Kin, Tony
Mr. Li Kar Fai, Peter

In accordance with bye-law 110(A) of the Bye-laws, Mr. Sun David Lee, Mr. Li Kar Fai, Peter and Mr. Edward John Hill III will retire as Directors by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Report

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

As at 31st March 2015, the interests of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Long positions in ordinary shares of HK$0.01 each of the Company

	Number of shares/underlying shares held			
Name of director	**Personal interests**	**Corporate Interests**	**Total**	**% of the issued share capital**
Zhu Xinjiang	–	6,006,850,314 *(Note 1)*	6,006,850,314	63.54
Sun David Lee	9,000,000 *(Note 2)*	–	9,000,000	0.10
Yeung Ting Lap, Derek Emory	7,000,000 *(Note 3)*	–	7,000,000	0.07
Ho Man Kin, Tony	2,000,000 *(Note 4)*	–	2,000,000	0.02
Li Kar Fai, Peter	2,000,000 *(Note 5)*	–	2,000,000	0.02

Notes:

1. These 6,006,850,314 shares are held by Sharp Victory Holdings Limited which is wholly owned by Mr. Zhu Xinjiang.

2. The personal interests of Mr. Sun David Lee represent an interest in underlying shares in respect of 9,000,000 share options granted by the Company entitling Mr. Sun David Lee to subscribe for 9,000,000 shares of HK$0.01 each in the share capital of the Company as detailed in the section "Share Option Schemes" below.

3. The personal interests of Mr. Yeung Ting Lap, Derek Emory represent an interest in underlying shares in respect of 7,000,000 share options granted by the Company entitling Mr. Yeung Ting Lap, Derek Emory to subscribe for 7,000,000 shares of HK$0.01 each in the share capital of the Company as detailed in the section "Share Option Schemes" below.

4. The personal interests of Mr. Ho Man Kin, Tony represent an interest in underlying shares in respect of 2,000,000 share options granted by the Company entitling Mr. Ho Man Kin, Tony to subscribe for 2,000,000 shares of HK$0.01 each in the share capital of the Company as detailed in the section "Share Option Schemes" below.

5. The personal interests of Mr. Li Kar Fai, Peter represent an interest in underlying shares in respect of 2,000,000 share options granted by the Company entitling Mr. Li Kar Fai, Peter to subscribe for 2,000,000 shares of HK$0.01 each in the share capital of the Company as detailed in the section "Share Option Schemes" below.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Long positions in ordinary shares of HK$0.01 each of the Company *(Continued)*

Save as disclosed above, none of the Directors nor chief executives and their associates of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31st March 2015, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes are set out in note 28 to the consolidated financial statements.

2003 Scheme

A share option scheme (the "2003 Scheme") was adopted by the Company pursuant to a resolution passed on 26th August 2003. Under the 2003 Scheme, the Directors may invite any Director (including Non-executive Director and Independent Non-executive Director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for shares of HK$0.01 each (which was adjusted to HK$0.10 per share following the consolidation of the Company's shares on 20th December 2004 and further adjusted to HK$0.01 per share following the capital reorganisation of the Company's shares on 5th March 2013) in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

The 2003 Scheme was terminated when the 2007 Scheme (as defined below) came into effect on 28th September 2007. Upon the termination of the 2003 Scheme, no further options would be granted, but the options granted prior to such termination continue to be valid and exercisable in accordance with the provisions of the 2003 Scheme.

SHARE OPTION SCHEMES *(Continued)*

2007 Scheme

A share option scheme (the "2007 Scheme") was adopted by the Company pursuant to a resolution passed on 28th September 2007.

A summary of the principal terms of the 2007 Scheme is given below:

(I)	Purpose of the scheme	:	The purpose of the 2007 Scheme is to encourage the participants to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to provide the participants with incentives and help the Company in retaining its existing employees and recruiting additional employees.
(II)	Participants of the scheme	:	The Directors may invite any Director (including Non-executive Director and Independent Non-executive Director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for shares of HK$0.10 each in the capital of the Company (which was adjusted to HK$0.01 per share following the capital reorganisation of the Company's shares on 5th March 2013).
(III)	Total number of shares available for issue under the scheme and percentage of issued share capital as at the date of this annual report	:	The number of shares available for issue under the 2007 Scheme was 240,988,752 shares representing approximately 2.51% of the issued share capital as at the date of this annual report.
(IV)	Maximum entitlement of each participant under the scheme	:	The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the 2007 Scheme to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue unless it is approved by shareholders (other than the grantees and/or their respective associates) in a general meeting of the Company. Any share options granted to a substantial shareholder or an Independent Non-executive Director or to any of their associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK$5 million, in any 12-month period, are subject to shareholders' approval in general meeting of the Company.

Directors' Report

SHARE OPTION SCHEMES *(Continued)*

2007 Scheme *(Continued)*

(V) The period within which the shares must be taken up under an option	:	The period within which the options must be exercised will be specified by the Company at the time of grant. This period shall not be more than 10 years from the relevant date of grant.
(VI) The minimum period for which an option must be held before it can be exercised	:	The Company may specify any minimum period(s) for which an option must be held before it can be exercised at the time of grant of the options. The 2007 Scheme does not contain any such minimum period.
(VII) The amount payable upon acceptance of option	:	Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option.
(VIII) The basis of determining the exercise price	:	The exercise price must not be less than the higher of: (i) the closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share.
(IX) The remaining life of the scheme	:	The 2007 Scheme has the period of 10 years commencing from 28th September 2007.

Directors' Report

SHARE OPTION SCHEMES *(Continued)*

2007 Scheme *(Continued)*

Details of the share options granted under the 2003 Scheme and the 2007 Scheme are as follows:

					Number of share options				
Grantee	**Option Scheme Type**	**Date of Grant**	**Exercisable Period**	**Exercise price per share** HK$	**Balance at 01/04/2014**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**Balance at 31/03/2015**
Sun David Lee Director	2007	29/07/2010	29/07/2010 to 28/07/2020	0.20	9,000,000	–	–	–	9,000,000
Yeung Ting Lap, Derek Emory Director	2007	29/07/2010	29/07/2010 to 28/07/2020	0.20	7,000,000	–	–	–	7,000,000
Ho Man Kin, Tony Director	2007	29/07/2010	29/07/2010 to 28/07/2020	0.20	2,000,000	–	–	–	2,000,000
Li Kar Fai, Peter Director	2007	29/07/2010	29/07/2010 to 28/07/2020	0.20	2,000,000	–	–	–	2,000,000
Sub-total:					20,000,000	–	–	–	20,000,000
Employees	2007	03/03/2009	03/03/2009 to 02/03/2019	0.27	2,000,000	–	–	–	2,000,000
Consultants	2003	21/08/2006	21/08/2006 to 21/08/2016	0.21	5,442,320	–	–	–	5,442,320
	2007	22/11/2007	22/11/2007 to 21/11/2017	0.27	18,060,000	–	–	–	18,060,000
Sub-total:					25,502,320	–	–	–	25,502,320
Total:					45,502,320	–	–	–	45,502,320

Save as disclosed above, no other options were outstanding, granted, exercised, cancelled or lapsed under the 2003 Scheme and the 2007 Scheme at any time during the year.

Save as disclosed above, none of the Directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Directors' Report

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the 2003 Scheme and the 2007 Scheme disclosed in the section "Share Option Schemes" above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

Save as disclosed in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 31st March 2015, the following corporations, other than a Director or chief executive of the Company, had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Long/Short position	Number of shares and underlying shares held	% of the issued share capital
Sharp Victory Holdings Limited *(Note 1)*	Beneficial owner	Long position	6,006,850,314	63.54
China Enterprise Capital Limited *(Note 2)*	Interests of a controlled corporation	Long position	2,217,006,219	23.45
CEC Resources and Minerals Holdings Limited *(Note 2)*	Interests of a controlled corporation	Long position	1,625,094,481	17.19
	Beneficial owner	Long position	591,911,738	6.26
CEC Resources Limited *(Note 2)*	Beneficial owner	Long position	1,625,094,481	17.19

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO *(Continued)*

Notes:

1. Sharp Victory Holdings Limited is wholly owned by Mr. Zhu Xinjiang who is the Chairman and Executive Director of the Company.

2. The shares and the underlying shares in the Company were held by CEC Resources Limited ("CEC"). CEC Resources and Minerals Holdings Limited, a wholly-owned subsidiary of China Enterprise Capital Limited, is interested in more than one-third of the issued share capital of CEC. As a result of such relationship as described in this paragraph, China Enterprise Capital Limited and CEC Resources and Minerals Holdings Limited are deemed to be interested in the shares and the underlying shares in the Company held by CEC by virtue of the SFO. CEC is beneficially interested in the shares and the underlying shares in the Company in accordance with the terms of the agreements dated 25th January 2008 into which CEC and the Company entered, the details of which were disclosed in the circular of the Company dated 19th May 2008.

   CEC Resources and Minerals Holdings Limited, a wholly-owned subsidiary of China Enterprise Capital Limited, is also directly interested in the shares and the underlying shares in the Company. In particular, CEC Resources and Minerals Holdings Limited is interested in the underlying shares in the Company in accordance with the terms of the deed of settlement dated 1st November 2010 into which CEC and the Company entered, the details of which were disclosed in the circular of the Company dated 28th January 2011 (the "2011 Circular"). As such, China Enterprise Capital Limited is deemed to be interested in the shares and the underlying shares in the Company held by CEC Resources and Minerals Holdings Limited by virtue of the SFO.

   The percentage of share capital is shown for illustration purpose only as pursuant to the terms of the convertible bond, the details of which were disclosed in the Circular and the 2011 Circular. The holder of the convertible bond shall have the right to convert the convertible bond into shares of the Company provided that (i) any conversion of the convertible bond does not trigger a mandatory offer obligation under Rule 26 of the Hong Kong Code on Takeovers and Mergers on the part of the holder of the convertible bond which exercised the conversion rights attached to the convertible bond; and (ii) the public float of the shares of the Company shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued shares at any one time in compliance with the Listing Rules.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March 2015.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this annual report, no Directors are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the Directors were appointed as directors to represent the interests of the Company.

Directors' Report

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

On 31st January 2008, the Group entered into a service agreement with Mr. Yeung Ting Lap, Derek Emory ("Mr. Yeung"), a Director, pursuant to which the Company agreed to appoint Mr. Yeung as an agent of the Company in consideration of the successful introduction to the Company the business opportunities as contemplated under two acquisition agreements (namely the GF Agreement and the PF Agreement, details of which were disclosed in the Company's circular dated 19th May 2008 ("Circular")) and for procuring the completion of the acquisitions (namely the GF Acquisition and the PF Acquisition as defined in the Circular) in accordance with the agreements. The Company issued and allotted to Mr. Yeung 3,192,660 new shares in the Company during the year ended 31st March 2009 in accordance with the terms of the said service agreement. The maximum limit for the number of new shares to be issued shall be 50,000,000. The details of the said service agreement were disclosed in the Company's circular dated 19th May 2008.

On 1st November 2010, the PF Acquisition was terminated by way of deed of settlement as announced by the Company on 2nd November 2010. Therefore, the issuance of new shares to Mr. Yeung in respect of the payment of consideration of PF Acquisition by the Company was no longer required as a result of the termination.

Pursuant to a letter dated 18th May 2015, the vendor of GF Acquisition has waived, released and discharged the Company from any and all obligations under clause 7 of the GF Agreement. Accordingly, the Company has no further obligations to issue the shares to Mr. Yeung.

Except for Mr. Yeung's service agreement disclosed above, no contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

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

At no time during the year, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the Listing Rules as at the date of this annual report.

PRE-EMPTIVE RIGHTS

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

Directors' Report

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the Independent Non-executive Directors (including Mr. Ho Man Fai, Tony and Mr. Li Kar Fai, Peter, who have served on the Board for more than nine years), an annual confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent.

EMOLUMENT POLICY

The emoluments of the Directors and senior management are recommended by the Remuneration Committee and approved by the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to Directors and eligible employees. Details of the schemes are set out in note 28 to the consolidated financial statements.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Zhu Xinjiang
Chairman

Hong Kong, 30th June 2015

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF ASIA COAL LIMITED
亞洲煤業有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asia Coal Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 87, which comprise the consolidated statement of financial position as at 31st March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 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.

Independent Auditor's Report

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30th June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March 2015

	NOTES	2015 HK$'000	2014 HK$'000 (Restated)
Continuing operations			
Revenue	7 & 8	**29,200**	–
Cost of sales		**(27,498)**	–
Gross profit		**1,702**	–
Other income	9	**12**	498
Selling and distribution expenses		**(295)**	–
Administrative expenses		**(31,745)**	(28,739)
Finance costs	10	**(348)**	(123)
Impairment loss on exploration and evaluation assets	18	**–**	(114,931)
Loss before tax		**(30,674)**	(143,295)
Income tax expense	11	**(173)**	–
Loss for the year from continuing operations	12	**(30,847)**	(143,295)
Discontinued operation			
Profit (loss) for the year from discontinued operation	13	**5,702**	(802)
Loss for the year		**(25,145)**	(144,097)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,942**	745
Reclassification adjustment of translation reserve upon disposal/liquidation of subsidiaries		**–**	438
Other comprehensive income for the year		**2,942**	1,183
Total comprehensive expense for the year		**(22,203)**	(142,914)
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operations		**(30,846)**	(143,292)
– from discontinued operation		**5,702**	(802)
		(25,144)	(144,094)
Loss for the year attributable to non-controlling interests:			
– from continuing operations		**(1)**	(3)
		(25,145)	(144,097)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000 (Restated)
Total comprehensive expense attributable to:			
Owners of the Company		**(22,202)**	(142,913)
Non-controlling interests		**(1)**	(1)
		(22,203)	(142,914)
LOSS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS	16		
Basic and diluted (HK cents)		**(0.28)**	(1.60)
LOSS PER SHARE FROM CONTINUING OPERATIONS	16		
Basic and diluted (HK cents)		**(0.34)**	(1.59)

Consolidated Statement of Financial Position

At 31st March 2015

	NOTES	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	17	**6,994**	8,890
Exploration and evaluation assets	18	**–**	–
		6,994	8,890
Current assets			
Inventories – finished goods		**–**	2,908
Trade and other receivables	19	**13,536**	4,762
Bank balances and cash	20	**36,583**	20,131
		50,119	27,801
Current liabilities			
Trade and other payables and accrued charges	21	**5,516**	14,183
Amounts due to related parties	22	**19,696**	14,700
Bank and other borrowings	24	**2,662**	9,781
Obligations under finance leases	25	**134**	–
Tax payables		**101**	–
		28,109	38,664
Net current assets (liabilities)		**22,010**	(10,863)
Total assets less current liabilities		**29,004**	(1,973)
Non-current liabilities			
Other borrowings	24	**2,718**	–
Obligations under finance leases	25	**411**	–
		3,129	–
Net assets (liabilities)		**25,875**	(1,973)
CAPITAL AND RESERVES			
Share capital	26	**94,539**	90,211
Reserves		**(68,696)**	(92,217)
Equity attributable to owners of the Company		**25,843**	(2,006)
Non-controlling interests		**32**	33
Total equity		**25,875**	(1,973)

The consolidated financial statements on pages 36 to 87 were approved and authorised for issue by the Board of Directors on 30th June 2015 and are signed on its behalf by:

Zhu Xinjiang	**Cheung Siu Fai**
DIRECTOR	*DIRECTOR*

Consolidated Statement of Changes in Equity

For the year ended 31st March 2015

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Capital contribution reserve HK$'000 (Note)	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st April 2013	86,211	440,471	3,454	57,979	(994)	(493,854)	93,267	135	93,402
Loss for the year	–	–	–	–	–	(144,094)	(144,094)	(3)	(144,097)
Exchange differences arising on translation of foreign operations	–	–	–	–	743	–	743	2	745
Reclassification adjustment of translation reserve upon disposal/ liquidation of subsidiaries	–	–	–	–	438	–	438	–	438
Total comprehensive (expense) income for the year	–	–	–	–	1,181	(144,094)	(142,913)	(1)	(142,914)
Subtotal	86,211	440,471	3,454	57,979	187	(637,948)	(49,646)	134	(49,512)
Issue of shares	4,000	43,640	–	–	–	–	47,640	–	47,640
Derecognition of non-controlling interests on liquidation of a subsidiary	–	–	–	–	–	–	–	(101)	(101)
Lapse of share options	–	–	(429)	–	–	429	–	–	–
At 31st March 2014	90,211	484,111	3,025	57,979	187	(637,519)	(2,006)	33	(1,973)
Loss for the year	–	–	–	–	–	(25,144)	(25,144)	(1)	(25,145)
Exchange differences arising on translation of foreign operations	–	–	–	–	2,942	–	2,942	–	2,942
Total comprehensive (expense) income for the year	–	–	–	–	2,942	(25,144)	(22,202)	(1)	(22,203)
Subtotal	90,211	484,111	3,025	57,979	3,129	(662,663)	(24,208)	32	(24,176)
Issue of shares	4,328	45,723	–	–	–	–	50,051	–	50,051
At 31st March 2015	94,539	529,834	3,025	57,979	3,129	(662,663)	25,843	32	25,875

Note: The capital contribution reserve represented the credits arising from waiver of debts owing by the Group to its shareholders.

Consolidated Statement of Cash Flows

For the year ended 31st March 2015

	NOTES	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Loss before tax		**(24,972)**	(144,097)
Adjustments for:			
Finance costs		**348**	123
Interest income		**(12)**	(1)
Waive of amount due to a related party		**–**	(128)
Loss on disposal of property, plant and equipment		**–**	125
Gain on disposal of a subsidiary	27	**–**	(17,926)
Impairment loss on exploration and evaluation assets	18	**–**	114,931
Exchange loss		**2,798**	5,291
Gain on liquidation of a subsidiary		**–**	(367)
Depreciation of property, plant and equipment		**2,702**	3,844
Write-down of inventories		**–**	176
Operating cash flows before movements in working capital		**(19,136)**	(38,029)
Decrease (increase) in inventories		**2,908**	(759)
(Increase) decrease in trade and other receivables		**(8,774)**	670
Decrease in trade and other payables and accrued charges		**(8,557)**	(975)
Decrease in amounts due to related parties		**–**	(1,200)
Cash used in operations		**(33,559)**	(40,293)
Interest income received		**12**	1
Income tax paid		**(72)**	–
NET CASH USED IN OPERATING ACTIVITIES		**(33,619)**	(40,292)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(98)**	(13,876)
Disposal of a subsidiary	27	**–**	(1,451)
Additions of exploration and evaluation assets		**–**	(396)
CASH USED IN INVESTING ACTIVITIES		**(98)**	(15,723)

Consolidated Statement of Cash Flows

For the year ended 31st March 2015

	NOTES	2015 HK$'000	2014 HK$'000
FINANCING ACTIVITIES			
Repayment of bank borrowing		**(8,000)**	–
Repayment of borrowings from a non-bank financial institution		**(363)**	–
Finance costs paid		**(348)**	(85)
Repayment of obligations under finance leases		**(163)**	–
Transaction costs on issue of shares		**(150)**	(360)
Proceeds from issue of shares		**50,201**	48,000
Advance from related parties		**4,996**	31,229
Receipt from borrowings from a non-bank financial institution		**4,000**	–
Repayment of amounts due to related parties		**–**	(17,000)
Receipt from bank and other borrowings		**–**	9,781
NET CASH FROM FINANCING ACTIVITIES		**50,173**	71,565
NET INCREASE IN CASH AND CASH EQUIVALENTS		**16,456**	15,550
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**20,131**	4,592
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(4)**	(11)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash		**36,583**	20,131

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under The Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). At 31st March 2015 and 2014, its immediate holding company and ultimate holding company is Sharp Victory Holdings Limited, a company incorporated in the British Virgin Islands which is controlled by Mr. Zhu Xinjiang ("Mr. Zhu"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information Section.

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 34.

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

The health and beauty products and services segment was discontinued in the current year. Details of the discontinued operation are set out in note 13.

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

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant for the preparation of the Group's consolidated financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

Except as described below, the application of the amendments to HKFRSs and the new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[6]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[5]

1 Effective for annual periods beginning on or after 1st January 2018.
2 Effective for annual periods beginning on or after 1st July 2014.
3 Effective for annual periods beginning on or after 1st January 2017.
4 Effective for annual periods beginning on or after 1st July 2014 with limited exception.
5 Effective for annual periods beginning on or after 1st January 2016.
6 Effective for first annual HKFRS financial statements beginning on or after 1st January 2016.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns.

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

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

Revenue from the provision of services is recognised when the services are rendered.

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

Property, plant and equipment

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Impairment of tangible assets (other than exploration and evaluation assets)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 mining and exploration rights and the expenditure incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial liability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as either other intangible assets or property, plant and equipment, the assets are assessed for impairment before reclassification.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKAS 36 "Impairment of Assets" whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- the period for which the entity 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.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- 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.
- 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.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing cost eligible for capitalisation.

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

Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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

Current and deferred tax for the year

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

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under finance leases.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Retirement benefit costs

Payments to defined contribution retirement benefit plans, the Mandatory Provident Fund Scheme ("MPF Scheme") and state-managed retirement benefit schemes, are recognised as an expense when employees have rendered services entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate.

Impairment of loans and receivables

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

Objective evidence of impairment could include:

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of loans and receivables (Continued)

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

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

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to related parties, and bank and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

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

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees or consultants

Share options to employees and consultants are measured at the fair value of the share options at the grant date.

The fair value determined at the grant date of the share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of share options that will eventually vest, with a corresponding increase in equity (share options reserve).

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

Share options granted to employees or consultants (Continued)

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

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

Share options issued to consultants in exchange for services are measured at the fair values of the services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the counterparties render services, unless the services qualify for recognition as assets.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Key sources of estimation uncertainty

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

Exploration and evaluation assets

As disclosed in note 18 to the consolidated financial statements, full impairment loss on exploration and evaluation assets amounting of approximately HK$114,931,000 was recognised during the year ended 31st March 2014.

In the opinion of the directors of the Company, no reversal of impairment loss of the mining right licenses is appropriate in the current period because of the following:

- The Mining Prohibition Law (the "MPL") may significantly restrict the mining exploration activities of the Group;

- The compensation investigation of any enforcement is still in progress by the Authority, as defined in note 18, and the related departments, and accordingly the amount and timing of any compensation cannot be determined; and

- The legal and political environment of Mongolia remains uncertain.

The directors of the Company will continue to review the carrying amount of the mining rights and assess the recoverable amount by taking into account, among others, the overall market conditions for coal and any impact arising from the MPL. If the compensation amount and timing of receipt under the MPL can be accurately determined, the impairment of exploration and evaluation assets may be reversed in the subsequent periods.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes advances from related parties, bank and other borrowings, obligations under finance leases, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors, the Group will balance its overall capital structure through the issue of new debt or the redemption of existing debt, as well as the issue of new shares.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

	2015 HK$'000	2014 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**45,336**	20,508
Financial liabilities		
Financial liabilities at amortised cost	**25,905**	25,962
Obligations under finance leases	**545**	–
	26,450	25,962

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, bank balances and cash, trade and other payables, amounts due to related parties, bank and other borrowings and obligations under finance leases. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Market risk

(i) *Currency risk*

The Group has monetary assets and liabilities denominated in US dollars ("USD"), Renminbi ("RMB") and Swiss Franc ("CHF") other than the functional currency of the relevant group companies, which expose the Group to market risk arising from change in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31st March 2015 and 2014 are as follows:

	2015	2014
	HK$'000	HK$'000
Assets		
RMB	**254**	330
USD	**91**	–
Liabilities		
CHF	**–**	57

In the opinion of directors of the Company, as the Group's foreign currency risk in relation to RMB and CHF against HK$, and USD against RMB is insignificant for both years, no sensitivity analysis is presented.

In addition, the Group is exposed to foreign currency risk as a result of inter-group balances denominated in currencies other than the respective functional currency of the relevant group companies, as follows:

	2015	2014
	HK$'000	HK$'000
Liabilities		
USD	**24,718**	24,200

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the currency of USD against Mongolian Tögrögs ("MNT") in relation to the inter-group balances.

The Group's sensitivity analysis is prepared by using a 10% (2014: 10%) increase and decrease in MNT against USD. Having considered the fluctuation of foreign exchange rates in the current year, 10% (2014: 10%) is the sensitivity rate used by management for the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% (2014: 10%) change in foreign currency rates. Where USD strengthens 10% (2014: 10%) against MNT, the Group post-tax loss for the year would be increased by approximately HK$2,225,000 (2014: HK$2,178,000). For 10% (2014: 10%) weakening of USD against MNT, there would be an equal and opposite impact on the post-tax loss for the year.

(ii) Interest rate risk

The Group's bank balances and bank borrowing (see notes 20 and 24 for details) carry floating-rate interests and have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rates.

The Group is exposed to fair value interest rate risk in relation to borrowings from a non-bank financial institution and an independent third party and obligations under finance leases (see notes 24 and 25 for details).

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

Sensitivity analysis

No sensitivity analysis of interest rate risk is presented as the directors of the Company consider the Group's exposure to interest rate risk is not significant.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Credit risk

As at 31st March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Apart from Customer A, the largest customer of the Group (see below and refer to notes 8 and 19), the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Customer A did not exceed 20% of gross monetary assets at the end of the reporting period. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at the end of the reporting period.

In order to minimise the credit risk, management of the Group will closely monitor the credit limits level, credit approvals procedures and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk in relation to deposits with banks. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on trade receivables and deposits with banks, the Group does not have any other significant concentration of credit risk.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings from time to time.

The following table details the Group's contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	Weighted average interest rate %	On demand or less than a month HK$'000	More than 1 month but within 3 months HK$'000	More than 3 months but within 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
At 31st March 2015							
Trade and other payables	–	829	–	–	–	829	829
Amounts due to related parties							
– non-interest bearing	–	19,696	–	–	–	19,696	19,696
Borrowings from a non-bank financial institution							
– fixed rate	7.47	97	193	870	2,997	4,157	3,637
Other borrowing							
– fixed rate	8.00	1,743	–	–	–	1,743	1,743
Obligations under finance leases	4.27	13	26	116	437	592	545
		22,378	219	986	3,434	27,017	26,450
At 31st March 2014							
Trade and other payables	–	1,481	–	–	–	1,481	1,481
Amounts due to related parties							
– non-interest bearing	–	14,700	–	–	–	14,700	14,700
Bank borrowing							
– variable rate	1.32	8,000	–	–	–	8,000	8,000
Other borrowing							
– fixed rate	8.00	–	–	1,843	–	1,843	1,781
		24,181	–	1,843	–	26,024	25,962

6c. Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

7. REVENUE

Revenue represents the amounts received and receivable for goods sold, net of discounts, to outside customers during the year.

	2015 **HK$'000**	2014 HK$'000
Trading of coal	**29,200**	–

8. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker, the Chairman of the Group, for the purposes of resource allocation and performance assessment. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segment. The reports are analysed based on categories of business. During the year ended 31st March 2015, the Group has an additional operating segment of trading of coal purchased from third parties ("Coal trading"). Two operating segments were presented:

1) Coal mining
2) Coal trading

The health and beauty products and services segment was discontinued during the year ended 31st March 2015. The segment information reported on this note does not include any amounts for the discontinued operation, which are described in more detail in note 13.

8. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

	Coal mining		Coal trading		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue						
External sales	**–**	–	**29,200**	–	**29,200**	–
Segment loss	**(3,142)**	(120,754)	**(50)**	–	**(3,192)**	(120,754)
Unallocated income						
– Interest income					**12**	1
– Other income					**–**	496
Unallocated expenses						
– Central administration costs					**(27,146)**	(22,915)
– Finance costs					**(348)**	(123)
Loss before tax					**(30,674)**	(143,295)

Segment loss represents the loss before tax incurred by each segment without allocation of interest income, certain other income, central administration costs and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

8. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segments:

	2015 **HK$'000**	2014 HK$'000
Segment assets		
Coal mining	**1**	6
Coal trading	**9,062**	–
Total segment assets	**9,063**	6
Assets relating to health and beauty products and services (discontinued operation)	**51**	4,599
Other unallocated assets	**47,999**	32,086
Consolidated assets	**57,113**	36,691
Segment liabilities		
Coal mining	**1,994**	2,045
Coal trading	**5,963**	–
Total segment liabilities	**7,957**	2,045
Liabilities relating to health and beauty products and services (discontinued operation)	**210**	10,858
Other unallocated liabilities	**23,071**	25,761
Consolidated liabilities	**31,238**	38,664

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

- all assets are allocated to operating segments other than bank balances and cash and head office assets; and
- all liabilities are allocated to operating segments other than bank borrowing and head office liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

8. SEGMENT INFORMATION *(Continued)*

Other segment information

	Coal mining		Coal trading		Unallocated		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Capital expenditure	**–**	396	**75**	–	**731**	10,963	**806**	11,359
Depreciation	**4**	89	**6**	–	**2,692**	2,087	**2,702**	2,176
Impairment loss on exploration and evaluation assets	**–**	114,931	**–**	–	**–**	–	**–**	114,931
Loss on disposal of property, plant and equipment	**–**	–	**–**	–	**–**	15	**–**	15

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and Mongolia.

The Group's revenue from external customers based on location of the customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**–**	–	**6,925**	8,885
PRC	**29,200**	–	**69**	–
Mongolia	**–**	–	**–**	5
	29,200	–	**6,994**	8,890

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

8. SEGMENT INFORMATION *(Continued)*

Information about major customers

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

	2015 **HK$'000**	2014 HK$'000
Customer A	**23,959**	–
Customer B	**4,825**	–

9. OTHER INCOME

	2015 **HK$'000**	2014 HK$'000
Interest income	**12**	1
Waive of amount due to a related party	**–**	128
Others	**–**	369
	12	498

10. FINANCE COSTS

	2015 **HK$'000**	2014 HK$'000
Interest on		
– obligations under finance leases	**17**	–
– amount due to a related party	**–**	38
– bank and other borrowings wholly repayable within five years	**331**	85
	348	123

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

11. INCOME TAX EXPENSE

Continuing operations

The income tax charge for the year represents the PRC Enterprise Income Tax ("EIT") for the year.

No provision for Hong Kong Profits Tax has been made as the Group incurred tax losses for both years.

PRC subsidiaries of the Group are subject to the PRC EIT at 25%.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

Continuing and discontinued operations

	2015 HK$'000	2014 HK$'000
(Loss) profit before tax		
– from continuing operations	**(30,674)**	(143,295)
– from discontinued operation	**5,702**	(802)
	(24,972)	(144,097)
Tax at applicable tax rate of 25% (2014: 16.5%)	**(6,243)**	(23,776)
Tax effect of expenses not deductible for tax purpose	**2,872**	20,285
Tax effect of income not taxable for tax purpose	**(18)**	(3,039)
Tax effect of tax losses not recognised	**2,203**	6,018
Utilisation of tax losses previously not recognised	**(974)**	–
Effect of different tax rate of group entities operating in other jurisdictions	**2,333**	512
Income tax expense for the year	**173**	–
Analysis:		
– from continuing operations	**173**	–
– from discontinued operation	**–**	–
	173	–

Details of unrecognised deferred taxation are set out in note 23.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

12. (LOSS)PROFIT FOR THE YEAR

	2015	2014
	HK$'000	HK$'000
Continuing operations		
Loss for the year has been arrived at after charging:		
Staff costs (including directors' remuneration):		
Salaries and other benefits	**10,591**	4,703
Retirement benefit scheme contributions	**124**	82
Total employee benefits expenses	**10,715**	4,785
Auditors' remuneration	**1,169**	951
Depreciation of property, plant and equipment	**2,702**	2,176
Loss on disposal of property, plant and equipment	**–**	15
Cost of inventories recognised as an expense	**27,498**	–
Operating lease rentals in respect of rented premises	**3,900**	4,033
Net exchange loss	**2,797**	5,368
Discontinued operation		
Profit (loss) for the year has been arrived at after charging (crediting):		
Staff costs (including directors' remuneration):		
Salaries and other benefits	**–**	9,747
Retirement benefit scheme continuations	**–**	464
	–	10,211
Auditors' remuneration	**110**	110
Depreciation of property, plant and equipment	**–**	1,668
Loss on disposal of property, plant and equipment	**–**	110
Cost of inventories recognised as an expense	**2,977**	1,405
Write-down of inventories	**–**	176
Operating lease rentals in respect of rented premises	**–**	5,049
Net exchange loss (gain)	**1**	(77)

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

13. DISCONTINUED OPERATION

On 6th December 2013, a subsidiary of the Company entered into a sales and purchase agreement to dispose of its entire equity interests in Procare (Holdings) Company Limited ("Procare Holdings") to Mr. Andy Kwok Wing Leung ("Mr. Kwok"), a former director of the Company. Procare Holdings was engaged in trading of health and beauty products and investment holding. Details of the disposal of the subsidiary are set out in note 27.

On the same date, the Company entered into a service agreement with Mr. Kwok to appoint him as a consultant to manage the health and beauty business of the Group at a monthly fee of HK$100,000. The service agreement expired on 31st May 2014.

After the expiration of the service agreement, the Group could not reach any agreement with Mr. Kwok to extend the service agreement. As a result, the Company had discontinued its health and beauty business.

The results of the discontinued operation included in the profit for the year are set out below. The comparative loss and cash flows from discontinued operation have been re-presented to include that operation classified as discontinued in the current year.

	2015	2014
	HK$'000	HK$'000
Revenue recognised from sales of products and provision of services and expiry of services contracts	**11,153**	12,499
Cost of sales	**(3,016)**	(2,908)
	8,137	9,591
Other income	**–**	929
Administrative expenses	**(352)**	(5,727)
Selling and distribution expenses	**(2,083)**	(23,521)
Gain on disposal of a subsidiary	**–**	17,926
Profit (loss) for the year	**5,702**	(802)

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13. DISCONTINUED OPERATION *(Continued)*

The cash flows of the discontinued operation contributed to the Group were as follows:

	Year ended 31st March	
	2015	2014
	HK$'000	HK$'000
Net cash used in operating activities	**(66)**	(12,846)
Net cash used in investing activities	**–**	(4,487)
Net cash from financing activities	**–**	16,528
Net cash outflows	**(66)**	(805)

14. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year (2014: nil).

15. DIRECTORS' AND EMPLOYEES' REMUNERATION

(a) Directors' emoluments

The emoluments paid or payable to each of the seven (2014: seven) directors of the Company were as follows:

2015

	Fees HK$'000	Salaries and other benefits HK$'000	Contribution to retirement benefit scheme HK$'000	Total HK$'000
Executive directors				
Zhu Xinjiang	**240**	**3,165**	**–**	**3,405**
Cheung Siu Fai (Note)	**627**	**–**	**–**	**627**
Sun David Lee	**700**	**–**	**–**	**700**
Yeung Ting Lap, Derek Emory	**700**	**–**	**–**	**700**
Independent non-executive directors				
Ho Man Kin, Tony	**180**	**–**	**–**	**180**
Li Kar Fai, Peter	**180**	**–**	**–**	**180**
Edward John HILL III	**180**	**–**	**–**	**180**
	2,807	**3,165**	**–**	**5,972**

Note: Mr. Cheung was appointed as the executive director of the Company on 15th May 2014.

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15. DIRECTORS' AND EMPLOYEES' REMUNERATION *(Continued)*

(a) Directors' emoluments *(Continued)*

2014

	Fees HK$'000	Salaries and other benefits HK$'000	Contribution to retirement benefit scheme HK$'000	Total HK$'000
Executive directors				
Zhu Xinjiang (Note 1)	235	–	–	235
Kung Chi Kang, Silver (Note 2)	15	545	8	568
Sun David Lee (Note 3)	350	80	–	430
Yeung Ting Lap, Derek Emory (Note 4)	365	–	–	365
Independent non-executive directors				
Ho Man Kin, Tony	113	–	–	113
Li Kar Fai, Peter	146	–	–	146
Edward John HILL III	180	–	–	180
	1,404	625	8	2,037

Notes:

1. Mr. Zhu was re-designated from non-executive director to executive director of the Company and was appointed as the chairman of the Company on 2nd May 2013.
2. Dr. Kung was re-designated from non-executive director to executive director of the Company and was appointed as the chief executive officer of the Company on 2nd May 2013. Dr. Kung resigned as a director and the chief executive officer of the Company on 15th October 2013.
3. Mr. Sun was re-designated from executive director to non-executive director of the Company on 2nd May 2013. Mr. Sun was then re-designated from non-executive director to executive director of the Company on 23rd October 2013.
4. Mr. Yeung was re-designated from non-executive director to executive director of the Company on 23rd October 2013.

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For the year ended 31st March 2015

15. DIRECTORS' AND EMPLOYEES' REMUNERATION *(Continued)*

(b) Employees' emoluments

During the year, the five highest paid individuals included three directors (2014: two directors), details of whose emoluments are set out in (a) above.

The emoluments of the remaining two (2014: three) individuals are as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**1,516**	2,296
Retirement benefit scheme contributions	**35**	50
	1,551	2,346

Their emoluments were within the following bands:

	2015 No. of employees	2014 No. of employees
Not exceeding HK$1,000,000	**2**	3

During the years ended 31st March 2015 and 2014, no emoluments were paid by the Group to the five highest paid individuals, or any of the directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office. No emolument was waived by the directors for the years ended 31st March 2015 and 2014.

(c) Remuneration of key management

The key management of the Group is the directors of the Company, details of whose emoluments are set out in (a) above.

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

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16. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2015 **HK$'000**	2014 HK$'000
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(25,144)**	(144,094)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**9,144,626,273**	8,990,448,820

The calculation of diluted (loss) earnings per share for the years ended 31st March 2015 and 2014 has not assumed the exercise of the share options as the exercise price of these options was higher than the average market price for the corresponding periods.

From continuing operations

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

	2015 **HK$'000**	2014 HK$'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share from continuing operations	**(30,846)**	(143,292)

The denominator used is the same as that detailed above for basic and diluted loss per share.

From discontinued operation

Basic and diluted earnings (loss) per share for the discontinued operation for the years ended 31st March 2015 and 2014 are HK$0.06 cents earnings per share and HK$0.01 cents loss per share respectively, based on the profit for the year of HK$5,702,000 and loss for the year of HK$802,000 from discontinued operation respectively and the denominators detailed above for both basic and diluted earnings (loss) per share.

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17. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment HK$'000	Leasehold improvements HK$'000	Computer equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
AT COST					
At 1st April 2013	1,524	4,071	1,787	394	7,776
Exchange realignment	(13)	–	(51)	(82)	(146)
Additions	618	4,905	107	8,246	13,876
Disposals	(163)	(546)	(284)	–	(993)
Disposal of a subsidiary	(1,479)	(6,161)	(698)	–	(8,338)
At 31st March 2014	487	2,269	861	8,558	12,175
Exchange realignment	(5)	–	(19)	(33)	(57)
Additions	17	13	66	710	806
Disposals	(161)	–	(118)	–	(279)
At 31st March 2015	338	2,282	790	9,235	12,645
DEPRECIATION					
At 1st April 2013	702	2,610	1,402	315	5,029
Exchange realignment	(12)	–	(48)	(73)	(133)
Provided for the year	234	2,016	141	1,453	3,844
Eliminated on disposals	(120)	(464)	(284)	–	(868)
Eliminated on disposal of a subsidiary	(552)	(3,547)	(488)	–	(4,587)
At 31st March 2014	252	615	723	1,695	3,285
Exchange realignment	(5)	–	(19)	(33)	(57)
Provided for the year	58	830	69	1,745	2,702
Eliminated on disposals	(161)	–	(118)	–	(279)
At 31st March 2015	144	1,445	655	3,407	5,651
CARRYING VALUES					
At 31st March 2015	194	837	135	5,828	6,994
At 31st March 2014	235	1,654	138	6,863	8,890

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and office equipment	10% – 33.3%
Leasehold improvements	Over 3 years or the period of the relevant lease term, if shorter
Computer equipment	33.3%
Motor vehicles	20% – 33.3%

The net book value of the Group's motor vehicles included an amount of HK$615,000 (2014: nil) in respect of assets held under finance leases.

During the year ended 31st March 2015, the Group has pledged motor vehicles with a net book value of approximately HK$4,849,000 (2014: nil) to secure the borrowings from a non-bank financial institution.

18. EXPLORATION AND EVALUATION ASSETS

The Group's exploration and evaluation assets for reporting purposes are as follow:

	Total HK$'000
At 1st April 2013	119,410
Additions of exploration and evaluation works during the year	396
Impairment loss recognised	(114,931)
Exchange realignment	(4,875)
At 31st March 2014 and 2015	–

The exploration and evaluation assets represent all costs directly associated with exploration and evaluation and are initially capitalised. Exploration and evaluation assets are those expenditures for an area where technical feasibility and commercial viability has not been determined. Exploration and evaluation assets include acquisition of rights to explore, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies.

The exploration and evaluation assets of the Group represented the considerations paid for acquisitions of mineral mining licenses and exploration licenses in respect of the Saikhan Ovoo coal deposits in the Bulgan province of Mongolia in previous year and the costs incurred for subsequent exploration and evaluation works.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

18. EXPLORATION AND EVALUATION ASSETS *(Continued)*

On 25th January 2008, the Company as the purchaser, CEC Resources Limited ("CEC Resources") as the vendor, and China Enterprise Capital Limited as the guarantor entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to acquire from the vendor the entire issued share capital of Giant Field Group Limited ("GF"). Both CEC Resources and China Enterprise Capital Limited were independent third parties of the Company.

The GF acquisition was completed in late July 2008 and the Company settled the initial consideration for the GF acquisition amounting to approximately HK$363,292,000 to CEC Resources. Pursuant to the GF sale and purchase agreement, the total consideration for the GF acquisition is subject to adjustment and shall be determined based on the proved coal ore reserves and probable coal ore reserves in the Saikhan Ovoo coal deposit held by SMI by reference to the technical assessments (the "SMI Technical Assessment") prepared by a technical adviser. The consideration for the GF acquisition can be up to maximum of RMB760 million. On 18th May 2015, the vendor agreed to waive, release and discharge the Group's obligation on the additional consideration for the GF acquisition.

In accordance with the abovementioned sale and purchase agreement, SMI LLC ("SMI"), incorporated in Mongolia, became a wholly-owned subsidiary of GF. The principal assets of SMI are two mineral mining rights of 30 years in respect of the Saikhan Ovoo coal deposit in the Bulgan province of Mongolia. The mining right licenses are MV-011985 and MV-002366 with 1,229.15 and 39.36 hectares respectively, and located in the same area.

The Group's mining rights may be restricted as a result of the enactment of the MPL in 2009, details of which are set out in the published consolidated financial statements of the Group for the year ended 31st March 2013. According to the MPL, the affected license holders, including SMI are to be compensated but the details of the compensation are not currently available.

During the year ended 31st March 2015, the Group had incurred an amount of approximately HK$338,000 (2014: HK$396,000) for the exploration and evaluation work on the Saikhan Ovoo coal mine, including license fee, labour and other costs directly attributable to exploration activities. The Group has not carried out any development nor production activity.

During the year ended 31st March 2014, a revocation letter (the "Letter") was received from the Minerals Authority of Mongolia (the "Authority") informing SMI that the mining right license MV-011985 had been revoked. The mining right license MV-011985 was revoked initially on 22nd September 2008 because the relevant annual license fee was paid on 17th September 2008, that was a few days after the due date of 5th September 2008. However, the mining right license MV-011985 was subsequently restored by an order of the then director of Minerals Authority on 13th November 2008. The Letter states that the restoration order has been invalidated and that the initial decision to revoke the license has been restored. A formal appeal letter against the Letter was submitted to the Authority (the "Appeal") on 6th March 2014 and the Group has also taken legal action against the revocation decision (the "Legal Action") in Mongolian Court on 19th March 2014. The full impairment loss for the mining right license MV-011985 has been recognised in accordance to HKAS 36 "Impairment of Assets" for the year ended 31st March 2014.

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18. EXPLORATION AND EVALUATION ASSETS *(Continued)*

SMI received a letter dated 6th April 2015 from the Authority informing SMI that the mining right license MV-011985 has been restored by an order of the Authority dated 3rd April 2015.

However, after seeking the legal advice, the directors of the Company consider no reversal of the impairment loss of the mining right licenses, including MV-011985 and MV-002366, at this stage is appropriate in the current year, because of the following:

- The MPL may significantly restrict the mining exploration activities of the Group;
- The compensation investigation of any enforcement is still in progress by the Authority and the related departments, and accordingly the amount and timing of any compensation cannot be determined; and
- The legal and political environment of Mongolia remains uncertain.

The directors of the Company will continue to review the carrying amount of the mining rights and assess the recoverable amount by taking into account, among others, the overall market conditions for coal and any impact arising from the MPL. If the compensation amount and timing of receipt under the MPL could be accurately determined, the reversal of the impairment of mining right licenses may be recognised as income immediately.

19. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	HK$'000
Trade receivables	**8,753**	377
Other receivables, deposits and prepayments	**4,783**	4,385
	13,536	4,762

The Group's turnover comprises mainly cash and credit sales. The credit terms are within 15 days from the date of invoices. Of the trade receivables balance at the end of the current year, amount of approximately HK$8,753,000 (2014: nil) is due from the Group's largest customer. There are no other customers who represent more than 5% of the total balance of trade receivables. As at 31st March 2015 and 2014, all the trade receivables, based on the invoice date, are aged within 90 days.

Trade receivables disclosed above include amounts of approximately HK$4,728,000 (2014: nil) which are past due by the range of 1 to 90 days at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

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19. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group closely monitors the granting of credit and periodically reviews the recoverability of each trade receivable. As at 31st March 2015, management assessed and considered the Group's outstanding trade receivables were in good credit quality.

20. BANK BALANCES AND CASH

Bank balances

Bank balances carry interest at market rates ranged from 0.001% to 0.35% (2014: 0.001% to 0.05%) per annum.

The amount of the Group's bank balances and cash denominated other than the functional currencies of the relevant group companies are set out below:

	RMB HK$'000	**USD** HK$'000	**Total** HK$'000
At 31st March 2015	**254**	**91**	**345**
At 31st March 2014	330	–	330

21. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

The following is an analysis of trade payables by age presented based on the invoice date at the end of the reporting period:

	2015 **HK$'000**	2014 HK$'000
Trade payables:		
0 to 90 days	**820**	773
91 to 180 days	**–**	376
181 to 365 days	**–**	164
Over 365 days	**–**	35
	820	1,348
Deposits received from customers	**–**	9,191
Accrued charges	**4,687**	3,511
Other payables	**9**	133
	5,516	14,183

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21. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES *(Continued)*

The amount of the Group's trade and other payables denominated in the following currencies other than the functional currencies of the relevant group companies are set out below:

	CHF HK$'000
At 31st March 2015	**–**
At 31st March 2014	57

22. AMOUNTS DUE TO RELATED PARTIES

	Notes	**2015** **HK$'000**	2014 HK$'000
Sharp Victory Holdings Limited	(i)	**14,700**	14,700
Mr. Zhu Xinjiang	(ii)	**4,996**	–
		19,696	14,700

Notes:

(i) Sharp Victory Holdings Limited is the immediate and ultimate holding company of the Company. The amount is unsecured, interest-free and repayable on demand.

(ii) Mr. Zhu is a director of the Company. The amount is unsecured, interest-free and repayable on demand.

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23. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax asset and liability have been offset. The following are the deferred tax liability and asset recognised and movements thereon during the current year:

	Accelerated tax depreciation HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1st April 2013	–	–	–
Charge (credit) to profit or loss	656	(656)	–
At 31st March 2014	656	(656)	–
(Credit) charge to profit or loss	(295)	295	–
At 31st March 2015	361	(361)	–

At the end of the reporting period, the Group has unused tax losses of approximately HK$135 million (2014: HK$136 million) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$2 million (2014: HK$4 million) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK$133 million (2014: HK$132 million) due to the unpredictability of future profit streams.

At 31st March 2015, included in unrecognised tax losses are losses of HK$694,000 (2014: HK$694,000) that will expire in 2015 to 2017 (2014: 2014 to 2016). Other losses may be carried forward indefinitely.

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24. BANK AND OTHER BORROWINGS

	Notes	**2015 HK$'000**	2014 HK$'000
Bank borrowing	(i)	**–**	8,000
Borrowings from a non-bank financial institution	(ii)	**3,637**	–
Loan from an independent third party	(iii)	**1,743**	1,781
		5,380	9,781
Secured		**3,637**	8,000
Unsecured		**1,743**	1,781
		5,380	9,781
Carrying amount repayable:	(iv)		
Within one year		**2,662**	9,781
More than one year, but not exceeding two years		**991**	–
More than two years, but not exceeding five years		**1,727**	–
		5,380	9,781
Less: Amounts shown under current liabilities		**(2,662)**	(9,781)
		2,718	–

Notes:

(i) At 31st March 2014, the amount represented a variable-rate bank borrowing, which was repayable on 5th June 2014 with repayable on demand clause. The effective interest rate for the year was 1.32% per annum. The bank borrowing was denominated in HK$ and secured by a personal guarantee provided by Mr. Zhu. The amount was fully repaid during the year ended 31st March 2015.

(ii) At 31st March 2015, the amount represented fixed-rate borrowings from a non-bank financial institution, which are repayable over 4 years without repayable on demand clause. The effective interest rate for the year was 7.47% per annum. The borrowings are denominated in HK$ and secured by certain motor vehicles owned by the Group.

(iii) The loan is unsecured, repayable on demand and carries interest at the fixed rate of 8% per annum.

(iv) The amounts due are based on the scheduled repayment dates set out in the agreements.

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25. OBLIGATIONS UNDER FINANCE LEASES

The Group leased a motor vehicle under finance leases. The lease term is 5 years. Interest rate underlying the obligations under finance leases is fixed at contract date at 4.27% per annum. The Group has options to purchase the motor vehicle for a nominal amount at the end of the lease term. No arrangements have been entered into for contingent rental payments.

	Minimum lease payments		**Present value of minimum lease payments**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**155**	–	**134**	–
In more than one year and not more than two years	**155**	–	**139**	–
In more than two years but not more than five years	**282**	–	**272**	–
Less: future finance charges	**(47)**	–	**N/A**	N/A
Present value of lease obligations	**545**	–	**545**	–
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(134)**	–
Amount due for settlement after 12 months			**411**	–

The Group's obligations under finance leases are secured by the lessors' title to the leased asset.

Financial lease obligations are denominated in HK$.

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26. SHARE CAPITAL

		Authorised		Issued and fully paid	
		Number of shares	Nominal value	Number of shares	Nominal value
	Notes		HK$'000		HK$'000
Ordinary shares of HK$0.01 each					
At 1st April 2013		300,000,000,000	3,000,000	8,621,133,752	86,211
Issuance of shares	(i)	–	–	400,000,000	4,000
At 31st March 2014		300,000,000,000	3,000,000	9,021,133,752	90,211
Issuance of shares	(ii)	–	–	202,000,000	2,020
Issuance of shares	(iii)	–	–	230,770,000	2,308
At 31st March 2015		300,000,000,000	3,000,000	9,453,903,752	94,539

Notes:

(i) On 22nd April 2013, the Company entered into a placing agreement to place 400,000,000 shares of the Company at the price of HK$0.12 per share. The number of 400,000,000 shares represented approximately 4.43% of the issued share capital of the Company as enlarged by the allotment and issue of the shares. The gross proceeds from the placing was approximately HK$48 million. The net proceeds from the placing amounted to approximately HK$47.6 million was used for repaying the outstanding debts to CEC and Elmfield Limited, and for general working capital of the Group. The placing was completed on 29th April 2013 and issued to not less than six independent placees. The new shares rank pari passu with all other shares in all respects.

(ii) On 13th August 2014, the Company entered into two subscription agreements to issue and allot a total number of 202,000,000 shares of the Company at the price of HK$0.10 per share. The two subscription agreements are not inter-conditional upon each other. The total number of 202,000,000 shares represented approximately 2.19% of the issued share capital of the Company as enlarged by the allotment and issue of the shares. The gross and net proceeds from the subscriptions was approximately HK$20.2 million. The net proceeds from the subscriptions was used as general working capital of the Group and for its business development. The subscriptions were completed on 22nd August 2014. The new shares rank pari passu with all other shares in all respects.

(iii) On 25th March 2015, the Company entered into two subscription agreements to issue and allot a total number of 230,770,000 shares and 153,850,000 shares of the Company at the price of HK$0.13 per share respectively. The two subscription agreements are not inter-conditional upon each other. The total number of 384,620,000 shares represented approximately 4.00% of the issued share capital of the Company as enlarged by the allotment and issue of the shares. The gross proceeds from the first subscription and second subscription was approximately HK$30 million and HK$20 million respectively. The net proceeds from the subscriptions amounted to approximately HK$49.9 million was used as general working capital of the Group and for its business development. The first subscription was completed on 31st March 2015 and the second subscription was completed on 4th May 2015. The new shares rank pari passu with all other shares in all respects.

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27. DISPOSAL OF A SUBSIDIARY

On 6th December 2013, the Group entered into a sales and purchase agreement to dispose of its entire equity interests in Procare Holdings to Mr. Kwok. Procare Holdings was engaged in trading of health and beauty products and investment holding. The completion date of transaction was on 11th December 2013.

The aggregate amounts of the assets and liabilities attributable to these subsidiaries on the date of disposal, and consideration received were as follows:

Consideration received

	HK$'000
Cash received*	–

* Cash consideration of HK$1 was received.

Analysis of consolidated assets and liabilities over which control was lost

	HK$'000
Property, plant and equipment	3,751
Trade and other receivables	3,744
Inventories	9
Bank balances and cash	1,451
Trade and other payables and accrued charges	(1,857)
Amount due to a former director of the Company	(25,728)
Net liabilities disposed of	(18,630)

	HK$'000
Consideration received	–
Net liabilities disposed of	18,630
Cumulative exchange differences in respect of the net liabilities of the subsidiary reclassified from equity to profit or loss on disposal of a subsidiary	(704)
Gain on disposal of a subsidiary	17,926

The gain on disposal was included in the loss for the year ended 31st March 2014 in the consolidated statement of profit or loss and other comprehensive income.

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27. DISPOSAL OF A SUBSIDIARY *(Continued)*

Net cash outflow on disposal of a subsidiary

	HK$'000
Net cash outflow arising from disposal:	
Consideration received in cash	–
Less: bank balances and cash disposed of	(1,451)
	(1,451)

28. SHARE-BASED PAYMENT TRANSACTIONS

Share options of the Company

Details of the share option schemes adopted by the Company are as follows:

(a) 2003 Scheme

A share option scheme (the "2003 Scheme") was adopted by the Company pursuant to a resolution passed on 26th August 2003. Under the 2003 Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.01 each (which was adjusted to HK$0.10 per share following the consolidation of the Company's shares on 20th December 2004 and further adjusted to HK$0.01 per share following the capital reorganisation of the Company's shares on 5th March 2013) in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

(b) 2007 Scheme

A share option scheme (the "2007 Scheme") was adopted by the Company pursuant to a resolution passed on 28th September 2007. Under the 2007 Scheme, the directors of the Company may invite any director (including non-executive director and independent non-executive director), employee of the Company or any of its subsidiaries or associated companies or any suppliers of goods or services to the Group to take up options to subscribe for share of HK$0.10 each (which was adjusted to HK$0.01 per share following the capital reorganisation of the Company's shares on 5th March 2013) in the capital of the Company.

Upon acceptance of the option, a nominal consideration of HK$1.00 will be paid by each grantee for each lot of share option granted within 21 days from the date of making offer of option. The options are exercisable within ten years after date of grant.

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28. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share options of the Company *(Continued)*

The following table discloses movements in the Company's share options during the years ended 31st March 2015 and 2014:

	Option Scheme type	Date of grant	Vesting period	Exercisable period	Exercise price per share HK$	At 1st April 2013	Lapsed during the year	At 31st March 2014 and 2015
Directors	2007	29th July 2010	N/A	29th July 2010 to 28th July 2020	0.200	27,000,000	(7,000,000)	20,000,000
Employees	2007	22nd November 2007	22nd November 2007 to 21st November 2008	22nd November 2008 to 21st November 2017	0.270	170,000	(170,000)	–
	2007	3rd March 2009	N/A	3rd March 2009 to 2nd March 2019	0.270	2,000,000	–	2,000,000
Consultants	2003	21st August 2006	N/A	21st August 2006 to 21st August 2016	0.210	5,442,320	–	5,442,320
	2007	22nd November 2007	N/A	22nd November 2007 to 21st November 2017	0.270	18,060,000	–	18,060,000
						52,672,320	(7,170,000)	45,502,320
Exercisable at end of the year								45,502,320
						HK$	HK$	HK$
Weighted average exercise price						0.228	0.202	0.232

During the years ended 31st March 2015 and 2014, no options have been granted or agreed to be granted or exercised under the 2003 Scheme and 2007 Scheme.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

29. OPERATING LEASES

The Group as lessee

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

	2015 **HK$'000**	2014 HK$'000
Within one year	**3,992**	3,844
In the second to fifth year inclusive	**–**	3,834
	3,992	7,678

Operating lease payments represent rentals payable by the Group for certain of its offices operated by the subsidiaries. Leases are negotiated for terms ranging from one to three years and rentals are fixed over the leased terms.

30. RETIREMENT BENEFIT SCHEMES

Hong Kong

The Group participates in MPF Schemes established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the MPF Schemes are held separately from those of the Group in an independently administered fund. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

Mongolia and PRC

The employees of the Group employed in Mongolia and PRC are members of the state-managed retirement benefit schemes operated by the Mongolian and PRC government. The Mongolian and PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

31. RELATED PARTY DISCLOSURES

(i) Details of the Group's outstanding balances with related parties are set out in the consolidated statement of financial position and in note 22.

(ii) Compensation of key management personnel and directors during the year is set out in note 15.

(iii) During the year ended 31st March 2014, interest expense of HK$38,000 was paid to Elmfield Limited, a company controlled by a former director of the Company. In addition, interest expense amounting of HK$128,000 was waived by Elmfield Limited. The amount due to Elmfield Limited was fully settled in cash in 2014.

(iv) On 6th December 2013, the Group entered into a sales and purchase agreement to dispose of its entire equity interest in Procare Holdings to Mr. Kwok. Details of the disposal are set out in note 27.

(v) During the year ended 31st March 2015, consultancy fee of HK$200,000 (2014: HK$400,000) was paid to Mr. Kwok, for provision of management services for the Group's business in health and beauty products and services.

(vi) During the years ended 31st March 2014 and 2015, Mr. Zhu provided a personal guarantee to the extent of HK$8,000,000 to a bank to secure a banking facility granted to a subsidiary of the Company. The personal guarantee was released upon the repayment of bank loan during the year ended 31st March 2015.

(vii) During the year ended 31st March 2015, Mr. Zhu provided a personal guarantee to the extent of HK$708,000 to secure the Group's obligations under finance leases.

32. MAJOR NON-CASH TRANSACTION

During the year ended 31st March 2015, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK$708,000 (2014: nil).

33. PLEDGE OF ASSETS

At the end of reporting period, certain motor vehicles owned by the Group with the total amount of approximately HK$4,849,000 (2014: nil) were pledged to a non-bank financial institution in order to secure the borrowings from the non-bank financial institution.

In addition, the Group's obligations under finance leases (see note 25) are secured by the lessors' title to the leased asset, which has a carrying amount of HK$615,000 (2014: nil).

Notes to the Consolidated Financial Statements

For the year ended 31st March 2015

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Group as at 31st March 2015 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of subsidiaries	Place of incorporation/ establishment and operations	Issued and fully paid share capital/ registered capital	Proportion of of issued share capital held by the Company directly/ indirectly 2015	2014	Principal activities
NB Management Services Limited	Hong Kong	HK$1	**100%**	100%	Provision of management services
Procare International Company Limited (Note)	Hong Kong	HK$2	**100%**	100%	Trading of health and beauty products and provision of beauty services
SMI LLC	Mongolia	MNT12,000,000	**100%**	100%	Coal mining
廣東亞煤能源貿易有限公司	PRC	RMB10,000,000	**100%**	100%	Coal trading

Note: The subsidiary has become inactive after the discontinuance of the health and beauty products and services segment during the year. Details of the discontinued operation are set out in note 13.

At the end of the reporting period, the Company has 6, 4 and 1 subsidiaries (2014: 5, 4 and 1) located and operated in Hong Kong, the British Virgin Islands and the PRC respectively, that are not material to the Group. Principal activities of these subsidiaries are provision of management services to the Group or investment holding.

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

Statement of Financial Position of the Company

At 31st March 2015

	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investments in subsidiaries	–	2,600
	–	2,600
Current assets		
Other receivables	4,716	715
Bank balances	32,228	13,379
	36,944	14,094
Current liabilities		
Other payables and accrued charges	3,381	2,024
Amounts due to related parties	14,700	14,700
	18,081	16,724
Net current assets (liabilities)	18,863	(2,630)
Net assets (liabilities)	18,863	(30)
CAPITAL AND RESERVES		
Share capital	94,539	90,211
Reserves	(75,676)	(90,241)
Total equity	18,863	(30)

Statement of Changes in Equity of the Company

For the year ended 31st March 2015

	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Capital contribution reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April 2013	86,211	440,471	3,454	363	(428,774)	101,725
Loss for the year	–	–	–	–	(149,395)	(149,395)
Issue of shares	4,000	43,640	–	–	–	47,640
Lapse of share options	–	–	(429)	–	429	–
At 31st March 2014	90,211	484,111	3,025	363	(577,740)	(30)
Loss for the year	–	–	–	–	(31,158)	(31,158)
Issue of shares	4,328	45,723	–	–	–	50,051
At 31st March 2015	94,539	529,834	3,025	363	(608,898)	18,863

Note: The capital contribution reserve represented the credits arising from waiver of debts owing by the Company to its shareholders.

Financial Summary

RESULTS

	For the year ended 31st March				
	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015** **HK$'000**
REVENUE FROM CONTINUING AND DISCONTINUED OPERATIONS	8,531	11,174	8,728	12,499	**40,353**
LOSS BEFORE TAX	(207,690)	(309,254)	(52,742)	(144,097)	**(24,972)**
INCOME TAX EXPENSE	–	–	–	–	**(173)**
LOSS FOR THE YEAR	(207,690)	(309,254)	(52,742)	(144,097)	**(25,145)**
Loss for the year attributable to:					
Owners of the Company	(207,064)	(306,945)	(52,779)	(144,094)	**(25,144)**
Non-controlling interests	(626)	(2,309)	37	(3)	**(1)**
	(207,690)	(309,254)	(52,742)	(144,097)	**(25,145)**

ASSETS AND LIABILITIES

	At 31st March				
	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015** **HK$'000**
TOTAL ASSETS	416,646	157,239	138,259	36,691	**57,113**
TOTAL LIABILITIES	(262,191)	(230,630)	(44,857)	(38,664)	**(31,238)**
NET ASSETS (LIABILITIES)	154,455	(73,391)	93,402	(1,973)	**25,875**