CSE

CHINA SMARTER ENERGY GROUP HOLDINGS LIMITED
中國智慧能源集團控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1004)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The Board of Directors (the "Board") of China Smarter Energy Group Holdings Limited (the "Company") announces as follows the audited consolidated results of the Company and its subsidiaries (together hereinafter referred to as the "Group") for the year ended 31 March 2016 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	**2016** ***HK$'000***	2015 *HK$'000* (Restated)
CONTINUING OPERATIONS			
REVENUE	*4 & 5*	**253,157**	202,410
Cost of sales		**(4,056)**	(6,135)
GROSS PROFIT		**249,101**	196,275
Other income	*5*	**7,435**	3,529
Other losses, net	*5*	**(13,441)**	(8,039)
Gain on bargain purchase of subsidiaries	*21*	**1,685**	292,080
Selling and distribution expenses		**(3,110)**	(4,585)
Administrative and operating expenses		**(184,776)**	(57,830)
PROFIT FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		**56,894**	421,430
Finance costs	*6*	**(154,478)**	(43,186)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*7*	**(97,584)**	378,244
INCOME TAX CREDIT/(EXPENSE)	*8*	**1,122**	(4,825)

* *For identification purpose only*

	Note	2016 HK$'000	2015 HK$'000 (Restated)
(LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(96,462)**	373,419
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	*9(a)*	**(223,618)**	(502,342)
LOSS FOR THE YEAR		**(320,080)**	(128,923)
(LOSS)/PROFIT ATTRIBUTABLE TO:			
Owners of the Company			
Continuing operations		**(96,405)**	373,376
Discontinued operation		**(179,132)**	(402,154)
		(275,537)	(28,778)
Non-controlling interests			
Continuing operations		**(57)**	43
Discontinued operation		**(44,486)**	(100,188)
		(44,543)	(100,145)
LOSS FOR THE YEAR		**(320,080)**	(128,923)
(LOSS)/EARNINGS PER SHARE	*11*		
Basic			
For loss for the year		**HK(3.80) cents**	HK(0.47) cents
For (loss)/profit for the year from continuing operations		**HK(1.33) cents**	HK6.15 cents
Diluted			
For loss for the year		**HK(3.80) cents**	HK(0.47) cents
For (loss)/profit for the year from continuing operations		**HK(1.33) cents**	HK6.15 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(320,080)**	(128,923)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(50,977)**	1,832
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(371,057)**	(127,091)
ATTRIBUTABLE TO:		
Owners of the Company	**(325,366)**	(26,782)
Non-controlling interests	**(45,691)**	(100,309)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(371,057)**	(127,091)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**959,621**	856,102
Available-for-sale financial assets	13	**7,800**	7,800
Exploration and evaluation assets	14	**–**	300,985
Intangible assets		**804,293**	876,272
		1,771,714	2,041,159
CURRENT ASSETS			
Inventories		**2,112**	3,241
Trade receivables	15	**18,343**	25,096
Prepayments, deposits and other receivables		**463,940**	241,419
Financial assets at fair value through profit or loss	16	**367,573**	217,671
Derivative financial assets			
– Derivative component of the convertible bonds		**13,068**	–
Time deposit and cash and bank balances		**294,674**	138,008
		1,159,710	625,435
Assets of disposal group classified as held for sale	9(b)	**1,132**	–
		1,160,842	625,435
CURRENT LIABILITIES			
Trade payables	17	**2**	2
Other payables and accruals		**76,827**	29,162
Customers' deposits		**406**	802
Unsecured short term loans	18	**5,000**	7,497
Current portion of long term bank loans	19	**15,557**	4,996
		97,792	42,459
Liabilities of disposal group classified as held for sale	9(b)	**132**	–
		97,924	42,459
NET CURRENT ASSETS		**1,062,918**	582,976
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,834,632**	2,624,135

	Note	**2016**	2015
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Long term bank loans	*19*	**690,496**	736,851
Convertible bonds		**438,064**	663,246
Deferred tax liabilities		**188,920**	272,707
		1,317,480	1,672,804
NET ASSETS		**1,517,152**	951,331
CAPITAL AND RESERVES			
Share capital	*20*	**19,536**	17,471
Reserves		**1,498,583**	889,136
Total equity attributable to owners of the Company		**1,518,119**	906,607
Non-controlling interests		**(967)**	44,724
TOTAL EQUITY		**1,517,152**	951,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and liabilities which have been measured at fair value.

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealized gains and losses resulting from intra-company transactions and intra-company balances within the Group are eliminated in full on consolidation.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's consolidated financial statements.

Amendments to HKAS 19, Defined benefit plans: Employee contributions

Annual Improvements to HKFRSs 2010-2012 Cycle

Annual Improvements to HKFRSs 2011-2013 Cycle

The adoption of the above revised standards has had no significant financial effect on these consolidated financial statements.

In addition, the Company has adopted the amendments to the listing rules issued by The Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the consolidated financial statements is on the presentation and disclosure of certain information in the consolidated financial statements.

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2016

Certain new and revised HKFRSs and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2016 or later periods, which the Group has not early adopted, are as follows:

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

[1] Effective for financial periods beginning on or after 1 January 2016
[2] Effective for financial periods beginning on or after 1 January 2018

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

4. SEGMENT INFORMATION

The chief executive office (the "CEO") organizes the business units based on their products delivered and services provided, and has reportable operating segments as follows:

a) Clean energy

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

c) Investments comprise dividend income from unlisted equity investments.

d) Trading of fur garment.

e) Trading of fur skins.

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

g) Mine (classified as discontinued operation during the year – see note 9)

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

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

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

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

a) Operating segment information

For the year ended 31 March 2016

	Continuing operations							Discontinued operation	
	Clean energy *HK$'000*	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Others *HK$'000*	Total *HK$'000*	Mine *HK$'000*	Consolidated *HK$'000*
Segment revenue									
Revenue from external customers	115,095	–	–	6,414	–	–	121,509	–	121,509
Investment income and net gains	–	130,088	1,560	–	–	–	131,648	–	131,648
Inter-segment sales	–	–	–	718	–	–	718	–	718
Reportable segment revenue	115,095	130,088	1,560	7,132	–	–	253,875	–	253,875
Elimination of inter-segment sales									(718)
Consolidated revenue									253,157
Segment results	(195)	126,560	1,554	(10,356)	(190)	(14,137)	103,236	(223,618)	(120,382)
Reconciliation:									
Interest income									443
Change in fair value of derivative component of convertible bonds									(13,441)
Unallocated corporate expenses									(33,344)
Loss from operating activities									(166,724)
Finance costs									(154,478)
Loss before tax									(321,202)
Income tax credit									1,122
Loss for the year									(320,080)
Other segment information									
Depreciation	(45,685)	–	–	(61)	–	(311)	(46,057)	(84)	(46,141)
Amortisation of intangible assets	(35,909)	–	–	–	–	–	(35,909)	–	(35,909)
Impairment loss on exploration and evaluation assets	–	–	–	–	–	–	–	(294,237)	(294,237)

For the year ended 31 March 2015 (Restated)

	Continuing operations							Discontinued operation	
	Clean energy	Trading in securities	Investments	Trading of fur garment	Trading of fur skins	Others	Total	Mine	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue									
Revenue from external customers	14,356	(1,131)	–	8,125	–	–	21,350	–	21,350
Investment income and net gains	–	179,500	1,560	–	–	–	181,060	–	181,060
Inter-segment sales	–	–	–	3,303	–	–	3,303	–	3,303
Reportable segment revenue	14,356	178,369	1,560	11,428	–	–	205,713	–	205,713
Elimination of inter-segment sales									(3,303)
Consolidated revenue									202,410
Segment results	283,451	175,837	(3,468)	(7,944)	746	(3,848)	444,774	(502,342)	(57,568)
Reconciliation:									
Interest income									2,227
Change in fair value of derivative component of convertible bonds									(9,817)
Unallocated corporate expenses									(15,754)
Loss from operating activities									(80,912)
Finance costs									(43,186)
Loss before tax									(124,098)
Income tax expense									(4,825)
Loss for the year									(128,923)
Other segment information									
Depreciation	(5,157)	–	–	(151)	(67)	(4)	(5,379)	(121)	(5,500)
Amortisation of intangible assets	(4,613)	–	–	–	–	–	(4,613)	–	(4,613)
Impairment loss on exploration and evaluation assets	–	–	–	–	–	–	–	(665,334)	(665,334)

b) **The segment assets and liabilities based on the reportable segments at the end of the reporting period are as follows:**

At 31 March 2016

	Continuing operations							Discontinued operation	
	Clean energy *HK$'000*	Trading in securities *HK$'000*	Investments *HK$'000*	Trading of fur garment *HK$'000*	Trading of fur skins *HK'000*	Others *HK$'000*	Total *HK$'000*	Mine *HK$'000*	Consolidated *HK$'000*
Reportable segment assets	1,939,810	367,574	308,112	10,317	15,782	1,909,129	4,550,724	1,132	4,551,856
Elimination of inter-segment receivables									(1,927,042)
									2,624,814
Unallocated assets:									
Time deposit and cash and bank balances									294,674
Derivative financial assets									13,068
Total assets per consolidated statement of financial position									2,932,556
Reportable segment liabilities	(1,722,726)	–	(2,827)	(66,321)	(25,456)	(20,567)	(1,837,897)	(1,066,485)	(2,904,382)
Elimination of inter-segment payables							860,689	1,066,353	1,927,042
							(977,208)	(132)	(977,340)
Unallocated liabilities:									
Convertible bonds									(438,064)
Total liabilities per consolidated statement of financial position									(1,415,404)
Other segment information									
Additions to property, plant and equipment during the year	184,771	–	–	–	–	–	184,771	684	185,455

At 31 March 2015

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

c) **Geographical information:**

i) ***Revenue from external customers***

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

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

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**138,062**	188,054
Mainland China	**115,095**	14,356
Total revenue	**253,157**	202,410

ii) ***Non-current assets***

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

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

	2016	2015
	HK$'000	*HK$'000*
Mainland China	**1,763,655**	2,033,128
Hong Kong	**259**	231
	1,763,914	2,033,359

Information about major customers

For the year ended 31 March 2016, revenue from sale of electricity with one customer had exceeded 10% of the Group's total revenue. Revenue from this customer amounted to HK$111,830,000 for the year ended 31 March 2016. No other single customer had transactions which contributed 10% or more of the Group's total revenue for the year ended 31 March 2016.

No individual customer had transactions which contributed 10% or more of the Group's total revenue for the year ended 31 March 2015.

5. REVENUE, OTHER INCOME AND OTHER LOSSES, NET

An analysis of the Group's revenue, other income and other losses, net is as follows:

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sale of electricity	**115,095**	14,356
Sale of fur garment	**6,414**	8,125
Net realised and unrealised gains on trading securities	**130,072**	178,251
Dividend income from unlisted available-for-sale financial assets	**1,560**	1,560
Dividend income from listed financial assets at fair value through profit or loss	**16**	118
	253,157	202,410
Others income		
Bank interest income	**443**	2,227
Other interest income	**–**	4
Compensation on trading of fur skins	**–**	1,187
Recovery of other receivables	**6,341**	–
Others	**651**	111
	7,435	3,529
Other losses, net		
Fair value change on derivative component of convertible bonds	**(13,441)**	(9,817)
Exchange gain	**–**	1,778
	(13,441)	(8,039)

Sale of electricity included HK$79,311,000 (2015: HK$9,635,000) tariff adjustment received and receivable from the provincial grid companies in the PRC based on the prevailing nationwide government policies on renewable energy for solar farms.

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Imputed interest on convertible bonds	**110,270**	35,683
Interest on bank loans not wholly repayable within five years	**43,303**	5,758
Interest on other borrowings wholly repayable within five years:		
Margin loan payable	**415**	122
Other loans	**490**	1,623
	154,478	43,186

7. (LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The (loss)/profit before tax from continuing operations is arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Auditors' remuneration		
– audit services	**800**	653
– non-audit services	**58**	750
	858	1,403
Depreciation	**46,057**	5,379
Amortisation of intangible assets	**35,909**	4,613
Minimum lease payments under operating leases on land and buildings	**6,535**	4,224
Staff salaries, allowances and benefits in kind (excluding directors' remuneration)	**14,474**	7,258
Pension contributions	**920**	383
Provision for obsolete inventories	**436**	1,510
Exchange loss	**3,063**	–

8. TAXATION

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 March 2016 and 2015. Overseas taxes on assessable profits of the Company or its subsidiaries, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

The amount of income tax (credit)/expense in the consolidated statement of profit or loss:

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Underprovision of Hong Kong profits tax in prior years	**–**	4,825
Deferred tax	**(1,122)**	–
Income tax (credit)/expense	**(1,122)**	4,825

9. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

The Group plans to focus its resources on its clean energy business and has decided to cease and sell its mining business during the year ended 31 March 2016. The Group's business in mining segment was mainly undertaken by 陝西久權礦業有限公司 (Shaanxi Jiuquan Mining Company Limited), an indirect-owned subsidiary of Perfect Fair Limited, which is also a indirect-owned subsidiary of the Company.

The Perfect Fair Group was regarded as a disposal group classified as held for sale and mining segment was classified as a discontinued operation during the year ended 31 March 2016.

In June 2016, the Group had completed the disposal of its 100% equity interest (with relevant shareholder's loan) in Perfect Fair Limited and its subsidiaries to an independent third party for a cash consideration of HK$1 million. Details of this transaction is also disclosed in note 25 to this announcement.

The loss for the year from the discontinued mining business is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the mining business as discontinued operation.

(a) The results of a discontinued operation for the years ended 31 March 2016 and 2015 are as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue	**Nil**	Nil
Other income	**73**	3
Administrative and operating expenses	**(296,767)**	(668,529)
Finance cost	**(112)**	(150)
Loss before taxation	**(296,806)**	(668,676)
Tax credit	**73,559**	166,334
Loss after taxation	**(223,247)**	(502,342)
Loss recognised on the measurement to fair value less costs to sell on disposal group	**(371)**	–
Loss for the year from a discontinued operation	**(223,618)**	(502,342)
Loss for the year from a discontinued operation includes the following:		
Staff salaries and allowances	**1,237**	1,223
Retirement benefit scheme contributions	**77**	76
Total staff costs	**1,314**	1,299
Depreciation of property, plant and equipment	**84**	121
Impairment loss on property, plant and equipment	**33**	–
Impairment loss on exploration and evaluation assets	**294,237**	665,334

(b) The major classes of assets and liabilities of a disposal group classified as held for sale at the end of the reporting period are as follows:

	2016	2015
	HK$'000	*HK$'000*
Assets		
Property, plant and machinery	**841**	–
Exploration and evaluation assets *(note 14)*	**–**	–
Prepayments, deposits and other receivables	**46**	–
Cash and bank balances	**245**	–
Assets of disposal group classified as held for sale	**1,132**	–
Liabilities		
Other payables and accruals	**132**	–
Liabilities of disposal group classified as held for sale	**132**	–
Net assets of disposal group classified as held for sale	**1,000**	–

(c) The net cash flow of the discontinued operation dealt with in the consolidated financial statements for the years ended 31 March 2016 and 2015 are as follows:

	2016	2015
	HK$'000	*HK$'000*
Operating activities	**1,572**	(155)
Investing activities	**(616)**	1,814
Financing activities	**(2,543)**	(150)
Net cash (outflow)/inflow attributable to a discontinued operation	**(1,587)**	1,509

(d) Loss per share from a discontinued operation

	2016	2015
Basic and diluted	**HK(2.47) cents**	HK(6.62) cents

The calculation of the basic loss per share from a discontinued operation is based on the loss for the year from discontinued operation attributable to owners of the Company of HK$179,132,000 (2015: HK$402,154,000) and the weighted average number of 7,243,402,000 (2015: 6,067,844,000) ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share from a discontinued operation presented for the years ended 31 March 2016 and 2015 in respect of a dilution as the Company's outstanding convertible bonds during the periods have an anti-dilutive effect on the basic loss per share from a discontinued operation presented.

10. DIVIDENDS

The board of directors does not recommend the payment of any dividend for the year ended 31 March 2016 (2015: Nil).

11. (LOSS)/EARNINGS PER SHARE

a) For loss for the year

Basic loss per share for the years ended 31 March 2016 and 2015 is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 March 2016 and 2015 respectively. Calculation is as follows:

	2016	2015
Loss for the year attributable to owners of the Company *(HK$'000)*	**(275,537)**	(28,778)
Weighted average number of ordinary shares in issue *(thousands)*	**7,243,402**	6,067,844
Basic loss per share *(HK cents per share)*	**(3.80) cents**	(0.47) cents

b) For (loss)/profit for the year from continuing operations

Basic (loss)/earnings per share for the years ended 31 March 2016 and 2015 is calculated by dividing the (loss)/profit for the year from continuing operations attributable to owners of the Company by the weighted average numbers of ordinary shares in issue during the years ended 31 March 2016 and 2015 respectively. Calculation is as follows:

	2016	2015

(Loss)/profit for the year from continuing operations

12. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 March 2016, the Group acquired items of property, plant and equipment with cost of HK$185,608,000 (year ended 31 March 2015: HK$853,611,000) and disposed/written off items of property, plant and equipment of HK$623,000 (year ended 31 March 2015: Nil).

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016	2015
	HK$'000	*HK$'000*
Unlisted equity securities, at cost	**7,800**	7,800

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

14. EXPLORATION AND EVALUATION ASSETS

	Evaluation rights	**Exploration expenditure**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Balance at 1 April 2014	958,980	8,425	967,405
Exchange adjustments	(1,074)	(12)	(1,086)
Impairment loss	(656,921)	(8,413)	(665,334)
Balance at 31 March 2015 and 1 April 2015	300,985	–	300,985
Exchange adjustments	(6,748)	–	(6,748)
Impairment loss	(294,237)	–	(294,237)
Transferred to disposal group classified as held for resale *(note 9)*	–	–	–
Balance at 31 March 2016	**–**	**–**	**–**

The exploration rights represent the carrying amount of the mining rights for mining, exploration and exploitation in a Vanadium mine located in Shaanxi, PRC. The exploitation licence of Vanadium mine has been renewed in 2015 for 3 years till September 2017 and is renewable on an ongoing basis.

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

At 30 September 2015, the directors has engaged an independent professional valuer, BMI Appraisals Limited (the "Appraiser"), to carry out a valuation on the exploration rights for the purposes of an impairment review on the exploration rights.

Based on the valuation report prepared by the Appraiser, the fair value of exploration and evaluation assets is nominal (HK$0). Accordingly, an additional impairment loss of HK$294,237,000 (2015: HK$665,334,000) was recognised in consolidated statement of profit or loss for the year ended 31 March 2016.

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

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

   For the purpose of the valuation, the after-tax required rates of return on the net fixed assets, the net working capital and the workforce assembled of 8.72%, 3.45% and 13.05% (2015: 9.07%, 4.01% and 13.26%) respectively were adopted.

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

3. The discount rate of the mining rights was calculated as 13.05% (2015: 13.26%).

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

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

   An additional impairment loss of HK$294,237,000 (2015: HK$665,334,000) was recognised in the consolidated financial statements for the year ended 31 March 2016 and the fair value of exploration and evaluation assets at 31 March 2016 was nominal (HK$0) (2015: HK$300,985,000) mainly due to the market price of Vanadium Pentoxide that is used in refining of steel was about RMB55,000/MT at 31 March 2015 but further substantially dropped to approximately RMB41,000/MT at 30 September 2015. The market price of Vanadium Pentoxide at 31 March 2016 was almost the same as that at 30 September 2015.

In view of the depressed market price of Vanadium, the directors decided to cease and dispose

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

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

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong at fair value	**367,573**	217,671

17. TRADE PAYABLES

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

	2016	2015
	HK$'000	*HK$'000*
Current to 30 days	**–**	–
31 days to 60 days	**–**	–
Over 60 days	**2**	2
	2	2

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

18. UNSECURED SHORT TERM LOANS

Unsecured short term loan carries interest at 12% (2015: 6% to 12%) per annum. This loan is wholly repayable within twelve months from the end of the reporting period.

19. BANK LOANS

The bank loans to be repayable as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**15,557**	4,996
After 1 year but within 2 years	**43,081**	16,236
After 2 years but within 5 years	**179,505**	157,361
After 5 years	**467,910**	563,254
	690,496	736,851
	706,053	741,847

The Company has issued a single guarantee of RMB598,000,000 (HK$715,626,600) (2015: RMB598,000,000 (HK$746,842,200)) to the bank to support the aforesaid bank loans granted to the Group.

	2016	2015
	HK$'000	*HK$'000*
Reconciliation to the consolidated statement of financial position		
Current liabilities	**15,557**	4,996
Non-current liabilities	**690,496**	736,851
	706,053	741,847

20. SHARE CAPITAL

	Note	Number of shares	Amount
		'000	*HK$'000*
Ordinary shares of HK$0.0025 each			
Authorised share capital:			
At 1 April 2014		30,000,000	300,000
Share subdivision	*(a)*	90,000,000	–
At 31 March 2015, 1 April 2015 and 31 March 2016		**120,000,000**	**300,000**
Issued and fully paid share capital:			
At 1 April 2014		1,486,228	14,862
Share subdivision	*(a)*	4,458,686	–
Issue of shares for acquisition of Rander International Limited	*(b)*	1,043,478	2,609
At 31 March 2015 and 1 April 2015		6,988,392	17,471
Issue of shares upon conversion of convertible bonds	*(c)*	825,959	2,065
At 31 March 2016		**7,814,351**	**19,536**

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

Note

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

b) On 17 February 2015, the Company issued 1,043,478,260 new ordinary shares of HK$0.0025 each at HK$0.23 per share, as part of the consideration for the acquisition of 100% equity interest in Rander International Limited. Details of this acquisition are set out in note 21.

c) During the year ended 31 March 2016, additional 825,958,700 ordinary shares of HK$0.0025 each were issued at par upon conversion of the convertible bonds at a conversion price of HK$0.8475 per share. The ordinary shares issued have the same rights as other shares in issue.

21. BUSINESS COMBINATIONS

Year ended 31 March 2016

On 17 June 2015, the Group acquired 100% equity interest in Shanghai Xin Lan Electric Company Limited 上海昕嵐電力有限公司 ("Shanghai Xin Lan") for a cash consideration of RMB10,000,000 from an independent third party. Shanghai Xin Lan and its subsidiary hold (i) two distributed solar power stations (of 3MW and 5MW respectively) in Shanghai and; (ii) one distributed solar power station in Dezhou, Shandong (of up to 11 MW). Further details of this acquisition are set out in the Company's announcement dated 17 June 2015.

On 10 August 2015, the Group had also acquired 100% equity interest in Wealth Vantage Investments Limited ("Wealth Vantage"), which is holding a lease agreement for the Group's office premises.

The following table summarises the purchase consideration paid for the acquisition of each of the above subsidiaries, the fair value of identifiable assets acquired and liabilities assumed at the respective acquisition date:

	Shanghai Xin Lan	**Wealth Vantage**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Purchase consideration			
Cash paid	**12,483**	**–** *(Note)*	**12,483**

Note: The purchase consideration is HK$1.

Year ended 31 March 2016 (cont'd)

	Shanghai Xin Lan *HK$'000*	Wealth Vantage *HK$'000*	Total *HK$'000*
The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition			
Property, plant and equipment	**–**	**153**	**153**
Prepayments, deposits and other receivables	**123,602**	**1,527**	**125,129**
Cash and bank balances	**1,231**	**–**	**1,231**
Other payables and accruals	**(112,345)**	**–**	**(112,345)**
Total identifiable net assets at fair value	**12,488**	**1,680**	**14,168**
Gain on bargain purchase	**5**	**1,680**	**1,685**
Net cash outflow on the acquisition			
Consideration paid in cash	**12,483**	**–**	**12,483**
Less: cash and cash equivalents acquired	**(1,231)**	**–**	**(1,231)**
Net cash outflow	**11,252**	**–**	**11,252**

Acquisition-related costs of HK$170,500 have been excluded from the above considerations transferred and have been recognised as an expense in the current year's profit or loss.

Impact of the acquisitions on the results of the Group

Wealth Vantage

This subsidiary had not carried on any business during the years ended 31 March 2016 and 2015 but only holds a lease agreement for the Group's office premises. Accordingly, Wealth Vantage can not contribute any revenue to the Group. However, the Group's loss for the year ended 31 March 2016 is increased by approximately HK$4,638,000 due to this acquisition.

Shanghai Xin Lan

Shanghai Xin Lan and its subsidiary only started to operate 3 distributed solar power stations after 17 June 2015 (date of acquisition) and contributed revenue of approximately HK$3,265,000 to the Group's revenue for the year ended 31 March 2016. The operation of Shanghai Xin Lan and its subsidiary caused the Group's loss be increased by approximately HK$3,583,000 for the year ended 31 March 2016. Shanghai Xin Lan and its subsidiary had no revenue prior to the date of acquisition.

Year ended 31 March 2015

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

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

Purchase consideration

	HK$'000
Cash paid	322,000
Allotment of 1,043,478,260 new ordinary shares of the Company at HK$0.23 per share as consideration (see note 20)	240,000
	562,000

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

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

Gain on bargain purchase

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

Net cash outflow on acquisition of Rander International Limited

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

Acquisition-related costs of HK$6,313,139 had been excluded from the above consideration transferred and had been recognised as an expense in the Group's profit or loss.

Impact of acquisition on the results of the Group

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

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

22. BANKING FACILITIES/BORROWINGS

Details of the unsecured short term loans and bank loans are set out in note 18 and 19 respectively.

23. CONTINGENT LIABILITIES

At 31 March 2016 and 2015, the Group did not have nay significant contingent liabilities.

24. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

In June 2016, the Group had completed the disposal of its 100% equity interest (with relevant shareholder's loan) in Perfect Fair Limited and its subsidiaries to an independent third party for a cash consideration of HK$1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial results and business review

During the financial year under review, the Group recorded a turnover of HK$253,157,000 (2015: HK$202,410,000), representing a increase by 25.07% as compared to the same period last year. The increase was mainly due to significant increase in revenue from clean energy business as a result of booking of full year revenue from Jinchang Jintai in Gansu Province for 100MW project that the acquisition was completed on 17 February 2015. The net loss attributed to equity shareholders of the Company for the current year amounted to HK$275,537,000 as compared to a net loss of HK$28,778,000 last year, result in a basic loss per share this year of HK$3.80 cents (2015: basic loss per share of HK$0.47 cents), representing an increase in loss by 857.45%. The loss were mainly due to the significant impairment loss of the vanadium mining right, increase in operating and administrative expenses due to increase in depreciation, amortization of intangible assets, staff salaries and rental expenses and increase in financial cost due to issuance of the USD80 million Convertible Bonds during the year.

The mining right was valued by an independent valuer at the same nominal value (equivalent to HK$0) at 30 September 2015 was the same nominal value (equivalent to HK$0) on 31 March 2016, as compared to its carrying amount of RMB241,000,000 (equivalent to HK$300,985,000) at 31 March 2015. The decrease in the mining right was mainly due to a significant drop in vanadium market price from as on 31 March 2015 at about RMB55,000/metric tonne to as on 30 September 2015 at about RMB41,000/metric tonne, resulting in an impairment loss of HK$294,237,000 and the market price had continued to decline till on 31 March 2016.

The Group decided to discontinue the operation of mining business and the mining business was sold in June 2016. We plan to focus our resources towards developing clean energy business that has principally became more promising prospects for the Group.

The 2015/2016 financial year was the foundation year of the Group’s strategic development. During the year, by adhering to the Group’s development strategies, we focused on the clean-energy power generation industry such as photovoltaic power generation, actively explored the energy sector, kept a close eye on and participated in the “Electricity System Reform” related sector. The progress we have made in each of these aspects laid a foundation for the Group’s sustainable development in the future.

In recent years, in tackling the environmental pollution problems and facilitating the smooth transformation of Chinese economic development, the Chinese Government has rolled out multiple preferential policies to encourage the clean-energy power generation industry, whereby procuring the rapid development of clean-energy power generation industry in China. By the end of 2015, over 40 GW of solar power generation capacity was installed in China which became the country with one of the largest photovoltaic power generation capacity in the world, representing an addition of over 15 GW in capacity for the year 2014 and representing over a quarter of the global additional capacity. In response to the national policy, the Group plans to increase its investments in the clean-energy power generation industry such as photovoltaic power generation, which will be the focus of the future business growth of the Group. We are confident that the Group can enjoy sustainable investment returns thanks to a favourable policy environment and steady revenue from the projects.

In 2016, CPC Central Committee and State Council jointly issued the "Certain Opinions on Further Deepening the Reform of Electricity System", marking the re-start of the PRC electricity system market reform. As a new player in the electricity sector, the Group will keep a close eye on the business opportunities and trends in the "Electricity System Reform", especially the electricity sales reform. In response to national policies, the "Electricity System Reform" related industries are believed to achieve an explosive growth.

In the coming financial year, the Group will continue to focus on its development strategies and striving its promotion, increase the investments in relevant industries and profitability building. We are confident that we will take all our efforts to enable the Group to become profitable again.

Revenue by Business Segments

Ratio analysis by business segments for the Group's revenue for the year ended 31 March 2016 is as follows:

- Clean Energy Business: approximately HK$115,095,000, 45.46% of revenue (2015: HK$14,356,000, 7.10%)

- Trading in securities: approximately HK$130,088,000, 51.39% of revenue (2015: HK$178,369,000, 88.10%)

- Investments: approximately HK$1,560,000, 0.62% of revenue (2015: HK$1,560,000, 0.77%)

- Trading of fur skins: approximately HK$Nil, 0% of revenue (2015: HK$Nil, 0%)

- Trading of fur garment: approximately HK$6,414,000, 2.53% of revenue (2015: HK$8,125,000, 4.03%)

- Mining: approximately HK$Nil, 0% of revenue (2015: HK:Nil, 0%)

Revenue by Geographical Region

Ratio analysis by geographical region for the Group's revenue for the year ended 31 March 2016 is as follows:

- Mainland China and Hong Kong: approximately HK$253,157,000, 100% of revenue (2015: HK$202,410,000, 100%)

- Other regions: approximately HK$0, 0% of revenue (2015: HK$Nil, 0%)

BUSINESS REVIEW

CONTINUING OPERATIONS

Clean Energy Business

During the year the on-grid power generation was approximately 112,256,000 kilowatt hour(s) ("KWh") and generated revenue of approximately HK$115.10 million as compared to revenue of approximately HK$14.4 million in 2015, as power generation time was only about one and half month in the financial year in 2015. The revenue was mostly contributed by 100% owned subsidiary, Jinchang Jintai Photovoltaic Company Limited 金昌錦泰光伏電力有限公司, that have an aggregate production capacity of 100MW and completed acquired on 17 February 2015. Loss of HK$195,000 was recorded during the year as compared to a record of profit of HK$283,451,000, which was mainly due to gain on bargain purchase of subsidiaries last year. The loss were mainly due to amortization of intangible assets and depreciation.

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

On 17 June 2015, the Tianhe Smarter Energy Company Limited* 天合智慧能源有限公司, ("Tianhe Smarter Energy") (which is wholly-owned by the Company) entered into the acquisition agreement to acquire, from the Shanghai Hua Xing Electronic Company Limited* 上海華星電器有限公司 ("Vendor"), 100% equity interest in Shanghai Xin Lan Electric Company Limited* 上海昕嵐電力有限公司 ("Shanghai Xin Lan") which holds directly and indirectly (through its wholly-owned subsidiary), three distributed solar power projects, (i) two distributed solar power projects (of 3 MW and 5 MW respectively) in Shanghai; and (ii) one distributed solar power project in Dezhou, Shandong (of up to 11 MW).

Among the three projects mentioned above, the Shanghai Xin Lan 3MW and 5MW projects have been completed and were on grid for power generation on November 2015. At 31 March 2016, the projects recorded accumulated power generation of 2,593,000 KWh.

The 5.5MW project of Dezhou, Guanyang was completed in March 2016, and at 31 March 2016, the project recorded accumulated power generation of 197,000 KWh.

The 2.75MW project of Dezhou, Guanyang was commenced on September 2015, and at 31 March 2016, the construction and engineering works have been completed and awaited for on grid connection for electricity generation. The 2.75MW projects of Dezhou, Guanyang was still under construction.

The 8MW Project of Dezhou, Hongxiang commenced construction on January 2016. At 31 March 2016, 40% of the construction works have been completed including structural enforcements and infrastructure works. The project is scheduled to operate and on grid for power generation by the end of 2016.

The 5MW project of Dezhou, Jinde commenced the construction work on March 2016, at 31 March 2016, the preparation works for construction have been completed and entered into infrastructure and installation phase. The project is scheduled to operate and on grid for power generation by the end of 2016.

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

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

On 3 August 2015, the board of directors of the Company announced that the Company entered into a strategic cooperation framework agreement (the "Strategic Cooperation Framework Agreement") with Terrajoule Corporation ("Terrajoule") in relation to their cooperation in the investment and development, promotion, construction, operation and management of the uninterruptible distributed solar power energy generation and smart micro-grid projects that deploy Terrajoule developed technology. The detailed terms of cooperation are to be set out in the definitive agreements to be negotiated and agreed between the parties. Headquartered in California, the United States, Terrajoule is developing modular solar power stations with output of 100KW and above. Terrajoule's technology incorporates energy storage with solar power generation at a storage cost lower than that for chemical battery storage, to enable a solar power station to provide electricity on demand for up to 24 hours per day, with rapid ramp, controllable power output.

During the year, the Group had commenced looking into clean energy projects in various European countries. The Company had signed non-legally binding agreement with potential European partners in respect of forming joint venture for clean energy projects in Europe. However, due to the uncertainty in the prospects of the projects, the related negotiations were suspended accordingly.

On 17 September 2015, the board of directors of the Company announced that the Company's wholly owned subsidiary, Tianhe Smarter Energy entered into a framework agreement (the "Framework Agreement") with Anhui Province Quanjiao County People's Government (安徽省全椒縣人民政府) in relation to their cooperation in the development of the 100MW fishing-solar complementary distributed photovoltaic power generation project (the "Project") in Quanjiao, Anhui Province, the People's Republic of China.

The Group established a project company (the "Project Company") for the development of the Project in phases, which is contemplated to involve the construction of 20MW fishing-solar complementary power plants in Phase I. Anhui Province Quanjiao County People's Government is to assist the Project Company on, among other things, application for the relevant regulatory authorizations and licences necessary for the construction and operation of the Project. The development was still in negotiation stage.

On 22 September 2015, the Company announced that further to the Company's announcement dated 17 June 2015, the Group has made further progress in securing possible distributed solar power projects with government and non-government parties in various parts of the People's Republic of China (the"PRC"). The Company's wholly owned subsidiary, Tianhe Smarter Energy entered into the following framework agreements:–

(a) a framework agreement (the "Macheng Framework Agreement") dated 21 August 2015 with Central (Macheng) Stone Industrial Park Development Limited* 中部(麻城)石材產業園開發有限公司 ("Central (Macheng) Stone") and Macheng County Yunzhuo New Energy Company Limited* 麻城市運灼新能源有限公司 (the "Yunzhuo New Energy") in relation to their cooperation in the development of the 50MW rooftop distributed solar power projects (the "Macheng Projects") in Macheng County, Huanggang City, Hubei Province, the PRC 湖北省黄岡市麻城市; and

(b) a framework agreement (the "Yizheng Framework Agreement") dated 17 September 2015 with Jiangsu Province Yizheng County Vehicle Industrial Limited* 江蘇省儀征市汽車工業公司 in relation to their cooperation in the development of the 50MW rooftop distributed solar power projects (the "Yizheng Projects") in Yangzhou (Yizheng) Vehicle Industrial Park* 揚州(儀征)汽車工業園, Yizheng County, Jiangsu Province, the PRC.

It is contemplated under the Macheng Framework Agreement that Tianhe Smarter Energy and Yunzhuo New Energy will establish a project company (the "Macheng Project Company") for the development of the Macheng Project and Yunzhuo New Energy is to assist the Macheng Project Company on, among other things, application for the relevant regulatory authorisations and licences necessary for the construction and operation of the Macheng Project. Central (Macheng) Stone will source rooftop units for the Macheng Project.

In addition, the ground work of 100 MW fishing-solar complementary distributed solar power project in Quanjiao, Anhui Province, 50MW rooftop distributed solar power project in Yizheng Vehicle Industrial Park(儀征汽車工業園), Jiangsu Province, 50MW rooftop distributed solar power project in Central (Macheng) Stone Industrial Park(中部(麻城)石材產業園), Macheng, Hubei Province had commenced.

On 2 November 2015, the Company announced the lapse of the major transaction in relation to the acquisition of Incentive Power Limited, reference is made to the announcements of the Company dated 13 February 2014, 4 November 2014, 31 December 2014, 26 February 2015, 30 April 2015, 29 June 2015, 3 August 2015 and 28 August 2015 (the "Announcement(s)") respectively, in relation to, among other things, the proposed acquisition of the entire equity interest in Incentive Power Limited, as the condition precedents to completion has not been fulfilled.

No agreement was reached by the parties to extend the Long Stop Date. The vendor had refunded the deposit of HK$100,000,000 paid without interest to the Group. The Board considered that the lapse of the Acquisition Agreement would not have any material adverse impact on business, operation and financial position of the Group.

Investment Business

Trading in securities

During the year, revenue from trading of securities was HK$130,088,000, compared with last year HK$178,369,000, representing a decrease in sales by 27.1%. Profit of HK$126,560,000 was recorded from this sector during the year as compared to a record of HK$175,837,000 last year representing a decrease by 28.0%. The decrease in profit was mainly due to the decrease in the unrealized gain on investments in listed financial assets at fair value through profit and loss.

Investments

The Group's revenue in investments was HK$1,560,000 during the year. Similar to last year, the revenue was solely generated from dividend income received from the investment in unlisted available-for-sale financial assets, an investment involved in a property project in Vietnam. Profit of HK$1,554,000 was recorded during the year as compared to the loss of HK$3,468,000 last year. The profit was mainly due to the decrease in administrative expenses of the Group in this sector.

Fur Business

Trading of Fur Garment

During the year, revenue of HK$6,414,000 was recorded from the sale of trading of fur garment, representing a decrease of 21.1% as compared to last year's revenue of HK$8,125,000. A loss of HK$10,356,000 was recorded for the year, as compared to the loss of HK$7,944,000 (restated) for the last year, with an increase in loss by 30.4%. At 31 March 2016, the segment assets of this sector was HK$10,317,000 (2015:HK$12,626,000) and segment liabilities was HK$66,321,000 (2015:HK$58,440,000). Accordingly, the net liabilities of approximately HK$56,004,000 (2015:HK$45,814,000). The increase in loss was mainly due to decrease in sales and more costs occurred for marketing as a result of fierce competition in the market and the drop in consumption in luxury items. We are now reviewing the trading operations and is considering the possibility of selling or winding down this sector of business.

Trading of Fur Skins

Even though there was no revenue in the trading of fur skin during the year, being the same nil as that of last year, a loss of HK$190,000 was recorded as compared to a profit of HK$746,000 of last year. At 31 March 2016, the segment assets of this sector was HK$15,782,000 (2015: HK$15,732,000) and segment liabilities was HK$25,456,000 (2015: HK$25,235,000). Accordingly, the net liabilities of approximately HK$9,674,000 (2015: HK$9,503,000). The loss was mainly due to more administrative expenses during the year while last year the profit recorded was mainly from a compensation income originated from a skin trading customer. As market conditions for this sector has deteriorated significantly, we are now considering to winding down this sector of business.

DISCONTINUED OPERATION

Mining Business

During the year, a revenue of nil was recorded for the mining business, same as that of last year. A loss of HK$223,618,000 was recorded during the year representing a decrease in loss by 55.5% as compared to last year's loss of HK$502,342,000 (restated). The Group decided to discontinue the sector of mining business as the global metal price dropped significantly while the vanadium mining right on our book already recorded to zero during the financial year. Since we have decided to concentrate our efforts and resources towards in developing the clean energy business which brings steadier return and appear to be less risky, we had discontinued the mining operation in September 2015 and have sold the business in June 2016. The mining business is classified as discontinued operation on 30 September 2015. Certain comparative amounts have been restated and reclassified.

The loss was mainly due to the impairment loss of mining right and based on its fair value at 30 September 2015 primarily due to significant drop in market price of Vanadium Pentoxide (V_2O_5). The valuer confirmed to the Company that since the current Vanadium price is lower than the estimated cost of production, the fair value of the exploration and evaluation assets of the vanadium mine is nominal. This has resulted in the book value of the vanadium mining right as at 30 September 2015 being recorded as HK$0. An independent valuer, BMI Appraisals Limited ("BMI"), valued the mining rights at 30 September 2015 amounted to RMB0 equivalent to HK$0 as the market price of V_2O_5 was around RMB41,000/metric tonne as compared to its carrying amount of RMB241,000,000, equivalent to HK$300,985,000 when the market price of V_2O_5 was around RMB55,000/metric tonne at 31 March 2015. After 30 September 2015, the vanadium price has continued to drop. The valuer confirmed that it adopted the same valuation methodology as the valuation at 31 March 2015 and 30 September 2015 and apart from the issue associated with Vanadium market price described above all other key parameters of valuation used are largely the same. Such impairment losses, being accounting related adjustments to the consolidated financial statements of the Group, are non-cash in nature and do not affect the Group's cash flow condition. The Group has subsequently disposed of the entire equity interest in Perfect Fair Limited which is an indirect-owned subsidiary of the Company in June 2016. Shaanxi Jiuquan Mining Company Limited* 陝西久權礦業有限公司 which operates the Vanadium mine is an indirect-owned subsidiary of Perfect Fair Limited.

The reduction in valuation of the mining right this year and the last few years was mainly due to the continued steep decline of vanadium price, as follows:

Market price of V_2O_5 at 31 March 2012	about RMB78,000/metric tonne
Market price of V_2O_5 at 31 March 2013	about RMB73,000/metric tonne
Market price of V_2O_5 at 31 March 2014	about RMB69,000/metric tonne
Market price of V_2O_5 at 31 March 2015	about RMB55,000/metric tonne
Market price of V_2O_5 at 31 March 2016	below RMB41,000/metric tonne

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

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

The reserves of the Vanadium Mine at 31 March 2016 remain unchanged since the acquisition in April 2008 (being 300,761 metric tonnes of V_2O_5), given that no material extraction was done, due to the delay in the development of the mine as a result of decline in V_2O_5 selling price since 2008.

PROSPECTS

Clean Energy Business

To pursue the clean energy policy implement in PRC and try to capture the business opportunities in this area, the Group has been and keep on putting more investments in the energy section including solar energy and renewable energy. We have successfully acquired a 100MW solar plant in Jinchan, Gansu Province and we are now in the process to develop more solar energy plants in China, at the same also try to participate in renewable energy. We believe this would assist us seeking more business partners and at the same time obtaining more new technologies. In the coming financial year, the Group will continue to focus on the developing its energy internet business and other clean-energy generation business. We are confident that the Group will achieve its goal of becoming an international innovative clean energy company in the future.

In response to supportive policies introduced by decision makers of China, the Company is actively involved in clean-energy power generation businesses such as solar power, and studied and selected a number of clean energy projects for future development. In the meantime, we noted that clean-energy power generation market in China had been in the time of change. Therefore, the Company will be more active in selecting quality projects, reducing construction cost and improving return on projects.

Investment Business

China, Europe, Japan and US, all these major developing economic entities have been continued to slow down its GDP growth in recent years despite efforts of implementing the quantitative easing policy in their region. During the first quarter of 2016 the GDP growth rate of major economies were 1.7% in Japan, 0.5% in Europe, 0.5% in USA and among the highest 6.7% in PRC. China performed among the best, but still recorded a significant drop from its double digit growth that achieved two years ago. All these poor economic performance all over the world led to drop in commodity and oil prices as a result of less demand for major resources. However under such an adverse condition, the Federal Reserve of US is still planning to increase its interest rate so as to call back its loose liquidity which resulted of quantitative easing policy first implemented by US Federal Reserve.

With regard to the Group's investments and trading in securities business, it is expected that the Hong Kong stock market will be highly volatile for the coming year. The Group will closely monitor the market condition for the coming year and adjust its portfolio of investment as appropriate and put more resources for clean energy business.

Fur Business

Trading of Fur Garment

The market environment for this sector in Hong Kong has been weak. Despite our efforts in establishing various marketing channels during the past few years, sales during the year has decreased while losses was increased. We foresee that operations in this segment will continue to be extremely challenging as expects to see continued delays in collection sale receivables from present customers, increase in cost of sales and drop in sales, due to fierce competition. We are considering to scale down or even probably to sell this sector of business as we expect continue loss and adverse market conditions, so as to enable us to devote our full efforts in the clean energy business.

Trading of Fur Skins

This sector of operation has been dormant for few years. As the market for this sector have deteriorated significantly, we foresee the difficulties in collecting receivables and increase in risks as we expect further drop in international skin auction price. We would not consider to re-enter this sector of business within the coming year and we may even to winding up this sector of business.

OPERATING AND ADMINISTRATIVE EXPENSES

For the year ended 31 March 2016, the amount of operating and administrative expenses was approximately HK$184,776,000 (2015: HK$57,830,000) (restated). The increase in operating and administrative expenses were mainly due to the increase in depreciation, amortisation of intangible assets, staff salaries and rental expenses during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally derives cash for operation from internal cash flow from banks in Hong Kong and PRC. At 31 March 2016, the Group had time deposit and cash and bank balances of approximately HK$294,674,000 (2015: HK$138,008,000). At 31 March 2016, the Group's interest bearing borrowings (including unsecured short term loans, bank loans and convertible bonds) amounted to approximately HK$1,149,117,000 (2015: HK$1,412,590,000). Shareholders' funds amounted to approximately HK$1,517,152,000 (2015: HK$951,331,000). Accordingly, the gearing ratio was 56.3% (2015: 134.0%).

At 31 March 2016, the Group had net current assets of approximately HK$1,062,918,000 (2015: HKD582,976,000) and current ratio (being current assets over current liabilities) of 12 (2015: 15).

CAPITAL STRUCTURE

(1) On 12 September 2014, the Company issued convertible bonds (the "HK$700,000,000 Convertible Bonds") to an independent third party, Shanghai Electric Hongkong Co. Limited, in the principal amount of HK$700,000,000 which are convertible into 206,489,675 new shares at the initial conversion price of HK$3.39 per share (adjusted to HK$0.8475 per share with effect from 19 December 2014), raising net proceeds of approximately HK$697 million. The HK$700,000,000 Convertible Bonds bear interest at 3 months HIBOR plus 5.5% per annum payable quarterly with maturity date on the 716th day after the date of first issue. The effective interest rate of the liability component is 9.97% per annum. The HK$700,000,000 Convertible Bonds was fully converted into 825,958,700 shares on 10 December 2015.

At 31 March 2015, the net proceeds have been utilized: (i) as to HK$322 million for the settlement of the cash consideration for the acquisition of Rander International Limited, which indirectly held two solar plant projects in the PRC; (ii) HK$100 million for cash deposit for the proposed acquisition of Incentive Power Limited (which has been refunded to the Group after the lapse of acquisition on 31 October 2015); (iii) approximately HK$22 million for the payment of HK$700,000,000 Convertible Bonds interest; (iv) approximately HK$70 million for deposit in connection with acquisition of solar plants; (v) approximately HK$45 million as general working capital of the Group in the solar energy business and (vi) approximately HK$138 million have not been utilized. The HK$138 million that was not utilised as at 31 March 2015 and the HK$100 million refunded deposit mentioned in (ii) above, has since been fully utilised as to HK$100 million as deposit for the possible acquisition of Jinchang Zhong Xin Negn Photovoltaic Company Limited, as to HK$29 million for the payment of HK$700,000,000 Convertible Bonds interest, as to HK$66 million for acquisitions or investment in solar energy business, and as to the balance of HK$43 million towards general working capital of the Group for the solar energy business.

(2) On 30 July 2015, the Company issued guaranteed secured convertible bonds with an aggregated principal amount of US$80,000,000 (the "US$80,000,000 Convertible Bonds") pursuant to the four conditional subscription agreements each dated 14 July 2015 entered between the Company and four subscribers, which are independent third parties to the Company, raising net proceeds of approximately US$79.8 million (approximately HK$622 million). The US$80,000,000 Convertible Bonds bear interest at 6% per annum payable semi-annually in arrears, with maturity date before the third anniversary after the date of first issue of US$80,000,000 Convertible Bonds (that is, 30 July 2018) and the bondholders have the right to convert them into shares credited as fully paid at any time from the issue date up to the date which is 7 days prior to the maturity date and convertible into 571,481,039 new shares at the initial conversion price of HK$1.0891 (subject to adjustments). The proceeds were mainly used in acquisitions or investments in the solar energy businesses. The Company has the right at any time on or after the first anniversary of the date of issue of the US$80,000,000 Convertible Bonds and until the last day immediately preceding the maturity date to redeem all or part of outstanding convertible bonds. The effective interest rate of the liability component is 24.04% per annum. The net proceeds have been utilised: (i) as to HK$200 million as cash deposit for the proposed acquisition of Jinchang Zhong Xin Negn Photovoltaic Company Limited; (ii) as to approximately HK$19 million for the payment of US$80 million Convertible Bonds interest; (iii) as to approximately HK$90 million for the acquisitions or investments in the solar energy business; (iv) as to approximately HK$43 million as general working capital of the Group in solar energy business and (v) approximately HK$270 million has not been utilized and is intended to be used to fund future acquisitions or investments in the solar energy business as and when the opportunity arises and/or funding the cash requirements of the Group's solar energy business.

The convertible bonds as stated in (1) and (2) above were split into liability, derivative and equity components upon initial recognition by recognising the liability component and derivative component at their fair value and attributing to the equity component the residual amount. The liability component is subsequently carried at amortised cost while the derivative component is carried at fair value to be remeasured at the end of each reporting period. The equity component is recognised in the convertible bonds equity reserve. The fair value of the liability component upon the issuance was calculated at the present value of the estimated interest payments and principal amount. The fair value of the convertible bonds were determined as of the date of issue and at the end of the reporting period by reference to the valuations performed by an independent firm of professionally qualified valuers, Eidea Professional Service Company Limited.

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

	2016	2015
	HK$'000	*HK$'000*
Borrowings		
Unsecured short term loans	**5,000**	7,497
Bank loans	**706,053**	741,847
Convertible bonds	**438,064**	663,246
Total borrowings	**1,149,117**	1,412,590
Less: time deposit and cash and bank balances	**(294,674)**	(138,008)
Net debt	**854,443**	1,274,582
Total equity	**1,517,152**	951,331
Gearing ratio	**56.3%**	134.0%

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

CHARGES ON ASSETS

At 31 March 2016, the Group's convertible bonds of US$80 million were secured by the shares charges over the share capital of the Group's wholly owned subsidiaries and the first floating charges on property, assets, goodwill, rights and revenue of the Company. No assets of the Group and the Company had been pledged to secure the other loans and bank loans at 31 March 2016.

FOREIGN EXCHANGE EXPOSURE

The Group's businesses are mainly conducted in Hong Kong dollars, United States dollars and Renminbi.

The Group is exposed to foreign exchange risk arising from its investments which are located in the PRC.

SIGNIFICANT INVESTMENT

There was no significant investment held by the Group at 31 March 2016.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Major Transaction in relation to the Acquisition of Jinchang Zhong Xin Neng Photovoltaic Company Limited

On 11 December 2015, the Company entered into the Letter of Intent with an independent third party ("the Potential Vendor") for the purpose to acquire the entire equity interest in Jinchang Zhong Xin Neng Photovoltaic Company Limited* 金昌中新能電力有限公司. Pursuant to the terms of the Letter of Intent, the Company had paid an earnest money of HK$200 million to the Potential Vendor, which is refundable if this acquisition cannot be completed.

On 4 March 2016, the Company had also executed a Supplementary Letter of Intent and an additional earnest money of HK$100 million was paid to the Potential vendor pursuant to the terms of the Supplementary Letter of Intent.

Details of this acquisition are disclosed in the announcement issued by the Company on 11 December 2015.

Discloseable Transaction in relation to the Acquisition of Shanghai Xin Lan Electric Company Limited

On 17 June 2015, the Group acquired 100% equity interest in Shanghai Xin Lan Electric Company Limited* 上海昕嵐電力有限公司 ("Shanghai Xin Lan") for a cash consideration of RMB10,000,000 from an independent third party. Shanghai Xin Lan and its subsidiary hold (i) two distributed solar power stations (of 3MW and 5MW respectively) in Shanghai and; (ii) one distributed solar power station in Dezhou, Shandong (of up to 11 MW).

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

EMPLOYEES

At 31 March 2016, the Group employed around 79 employees in Hong Kong, Macau and Mainland China (31 March 2015: 66). The Group'

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

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the annual general meeting of the Company to be held on Monday, 15 August 2016 ("2016 AGM"), the register of members of the Company will be closed from Friday, 12 August 2016 to Monday, 15 August 2016, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 August 2016.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of all the applicable code provisions of the Code on Corporate Governance Practices (the "Code on CGP") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. During the year ended 31 March 2016, the Company was in compliance with all code provisions set out in the Code on CGP except for the deviations from code provisions A.2.1, A.4.1 and A.4.2 of the Code on CGP, which are explained below.

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

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

2. Code provision A.4.1 of the Code on CGP requires the non-executive directors should be appointed for a specific term and subject to re-election. During the year ended 31 March 2016, the terms of appointment of the three independent non-executive Directors expired and thereafter they are not appointed for a specific term, but they are subject to the retirement by rotation and re-election at the Company's annual general meeting at least once every three years in accordance with the Company's bye-laws (the "Bye-Laws").

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

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Code on CGP during the year ended 31 March 2016.

Further information on the Company's corporate governance practices will be detailed in the corporate governance report contained in the annual report of the Company for the year ended 31 March 2016, which shall be sent to the Company's shareholders in due course.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transaction by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2016.

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

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

CHANGE IN INFORMATION OF DIRECTORS

During the year ended 31 March 2016, pursuant to Rule 13.51B(1) of the Listing Rules, there is no changes in information of the Directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's consolidated financial statements and review of the relationship with the auditors of the Company. The Audit Committee comprises all three independent non-executive directors of the Company.

The Audit Committee has reviewed with the Group's senior management and external auditors the accounting principles and practices adopted by the Group and reviewed the Company's consolidated financial statements for the year ended 31 March 2016.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk under "Latest Information" and the Company's website at http://www.cse1004.com.

The printed copy of the Annual Report will be sent to shareholders of the Company and the soft copy of the Annual Report will be published on websites of both The Stock Exchange of Hong Kong Limited and the Company in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on 15 August 2016. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular to be sent to the Company's shareholders together with the Annual Report. Notice of the AGM and the proxy form will also be available on websites of both The Stock Exchange of Hong Kong Limited and the Company.

DIRECTORS OF THE COMPANY

Mr. Wang Hao, Mr. Lai Leong, Mr. Lam Kwan Sing, Mr. Wong Nga Leung, Mr. Hon Ming Sang and Mr. Zhou Chengrong are the executive directors of the Company; and Mr. Fok Ho Yin, Thomas, Mr. Tsui Ching Hung and Ms. Cheung Oi Man, Amelia are the independent non-executive directors of the Company.

By order of the Board
China Smarter Energy Group Holdings Limited
Mr. Wang Hao
Chairman

Hong Kong, 30 June 2016