SINO PROSPER (GROUP) HOLDINGS LIMITED
中盈(集團)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board (the "**Board**") of directors (the "**Director(s)**") of Sino Prosper (Group) Holdings Limited (the "**Company**") is pleased to announce and to present the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2015 (the "**Reporting Period**") together with the comparative figures for the previous year, which have been reviewed by the audit committee (the "**Audit Committee**") of the Company, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	3	**55,957**	53,830
Cost of sales		**(3,903)**	(32,493)
Gross profit		**52,054**	21,337
Other income and gains	5	**1,692**	15,274
Gain on waiver of contingent consideration for acquisition of subsidiaries		**–**	191,220
General and administrative expenses		**(39,037)**	(77,335)
Impairment loss of exploration and evaluation assets	12	**(547,839)**	(164,010)
Loss on early redemption of promissory notes	18	**(7,273)**	(60,827)
Finance costs	6	**(19,747)**	(8,884)
Loss before tax		**(560,150)**	(83,225)
Income tax expense	7	**(3,288)**	(816)
Loss for the year	8	**(563,438)**	(84,041)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**9,607**	21,746
Other comprehensive income for the year, net of income tax		**9,607**	21,746
Total comprehensive expense for the year		**(553,831)**	(62,295)
Loss attributable to:			
Owners of the Company		**(514,793)**	(66,314)
Non-controlling interests		**(48,645)**	(17,727)
		(563,438)	(84,041)
Total comprehensive expense attributable to:			
Owners of the Company		**(505,705)**	(46,854)
Non-controlling interests		**(48,126)**	(15,441)
		(553,831)	(62,295)
Loss per share	10		
Basic and diluted (HK cents per share)		**(57.66)**	(8.32)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**95,496**	102,719
Other intangible assets	*11*	**139,653**	140,364
Exploration and evaluation assets	*12*	**466,949**	1,009,530
Goodwill	*13*	**679,075**	675,767
		1,381,173	1,928,380
Current assets			
Inventories		**7,453**	4,602
Loans receivables	*14*	**199,416**	134,347
Trade and other receivables	*15*	**4,737**	17,931
Bank balances and cash		**74,722**	93,193
		286,328	250,073
Current liabilities			
Trade and other payables	*16*	**18,195**	19,603
Amount due to a non-controlling interest of a subsidiary		**9,418**	9,372
Amounts due to related parties		**4,995**	–
Tax payable		**3,390**	2,138
		35,998	31,113
Net current assets		**250,330**	218,960
Total assets less current liabilities		**1,631,503**	2,147,340
Non-current liabilities			
Convertible bonds	*17*	**100,809**	82,889
Promissory notes	*18*	**6,529**	17,429
Provision for restoration costs		**401**	400
Deferred tax liabilities		**50,538**	52,878
		158,277	153,596
Net assets		**1,473,226**	1,993,744
Capital and reserves			
Share capital	*19*	**10,046**	8,446
Reserves		**1,403,803**	1,877,795
Equity attributable to owners of the Company		**1,413,849**	1,886,241
Non-controlling interests		**59,377**	107,503
Total equity		**1,473,226**	1,993,744

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**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 "**Stock Exchange**") (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

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

In the current year, the Group has applied the following new and revised Hong Kong Accounting Standards ("**HKAS(s)**"), HKFRS(s), amendments and interpretations ("**HK(IFRIC) – Int**") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA:

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities*

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognized in the Group's consolidated financial statements.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement".

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognized in the Group's 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 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 cash-generating unit. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a cash-generating unit 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*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The Group has applied the amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognized in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 *Levies*

The Group has applied HK(IFRIC) – Int 21 *Levies* for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognized in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	*Financial Instruments*[1]
HKFRS 14	*Regulatory Deferral Accounts*[2]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[5]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[5]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortization*[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*[6]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011 – 2013 Cycle*[4]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2012 – 2014 Cycle*[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 ***Financial Instruments***

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognized financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

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

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have a material impact on the amounts reported in respect of the Group's financial assets and financial liabilities, however, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 *Revenue from Contracts with Customers*

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

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

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

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

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

Except as described above, the Directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue from sales of gold concentrates	**–**	6,249
Revenue from sales of silver concentrates	**84**	106
Revenue from sales of bronze concentrates	**36**	–
Revenue from sales of gold	**2,740**	24,041
Interest income from loan financing activities	**18,149**	8,137
Consultancy services income	**34,948**	15,297
	55,957	53,830

4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

(a) investment in energy and natural resources (including precious metals) related projects; and

(b) the money lending segment represents provision of loan financing and investment and management consultation services ("**Money lending**").

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Investment in energy and natural resources (including precious metals) related projects		Money lending		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Revenue from external customers	**2,860**	30,396	**53,097**	23,434	**55,957**	53,830
Segment (loss)/profit	**(559,832)**	(176,598)	**44,862**	18,677	**(514,970)**	(157,921)
Interest on bank deposits, other income and gains					**1,692**	15,274
Gain on waiver of contingent consideration for acquisition of subsidiaries					**–**	191,220
Loss on early redemption of promissory notes					**(7,273)**	(60,827)
Finance costs					**(19,747)**	(8,884)
Central administration costs					**(19,852)**	(62,087)
Loss before tax					**(560,150)**	(83,225)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: Nil).

Segment (loss)/profit represents the (loss)/profit incurred by each segment without allocation of interest on bank deposits, other income and gains, gain on waiver of contingent consideration for acquisition of subsidiaries, loss on early redemption of promissory notes, finance costs and central administration costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Investment in energy and natural resources (including precious metals) related projects		Money lending		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**807,320**	1,354,131	**832,504**	747,739	**1,639,824**	2,101,870
Corporate and unallocated assets					**27,677**	76,583
Consolidated assets					**1,667,501**	2,178,453
Segment liabilities	**53,396**	48,556	**2,578**	3,747	**55,974**	52,303
Corporate and unallocated liabilities					**138,301**	132,406
Consolidated liabilities					**194,275**	184,709

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

- all assets are allocated to operating segments other than other unallocated head office and corporate assets. Other intangible assets, exploration and evaluation assets and goodwill are allocated to operating segments; and

- all liabilities are allocated to operating segments other than convertible bonds, promissory notes and other unallocated head office and corporate liabilities.

Other segment information

	Investment in energy and natural resources (including precious metals) related projects		Money lending		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment profit or loss:						
Depreciation	**7,185**	5,697	**419**	66	**7,604**	5,763
Unallocated depreciation					**291**	780
					7,895	6,543

	Investment in energy and natural resources (including precious metals) related projects		Money lending		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amortization of other intangible assets	**1,360**	4,244	**33**	15	**1,393**	4,259
Impairment loss of inventories	**367**	–	**–**	–	**367**	–
Impairment loss of exploration and evaluation assets	**547,839**	164,010	**–**	–	**547,839**	164,010
Additions to non-current assets	**553**	6,852	**110**	582,826	**663**	589,678
Unallocated					**29**	111
Total additions to non-current assets					**692**	589,789

Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations in Hong Kong and the People's Republic of China (the "**PRC**").

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

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**661**	20,874	**274**	578
PRC	**55,296**	32,956	**1,380,899**	1,927,802
	55,957	53,830	**1,381,173**	1,928,380

Information about major customers

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

	2015	2014
	HK$'000	*HK$'000*
Customer A	**–**	18,694
Customer B	**–**	6,361
Customer C	**14,005**	–
Customer D	**8,874**	–
	22,879	25,055

For the year ended 31 March 2015, there were two customers with revenue which accounted for more than 10% of the total revenue related to Money lending segment (2014: two customers related to investment in energy and natural resources (including precious metals) related projects segment.)

5. OTHER INCOME AND GAINS

	2015	2014
	HK$'000	*HK$'000*
Interest income on bank deposits	**653**	3,515
Net foreign exchange gains	**653**	6,331
Sundry income	**386**	5,428
	1,692	15,274

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Effective interest on convertible bonds	**17,920**	4,135
Effective interest on promissory notes	**1,827**	4,749
	19,747	8,884

No interest was capitalized during the year ended 31 March 2015 (2014: Nil).

7. INCOME TAX EXPENSE

Income tax recognized in profit or loss

	2015	2014
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**–**	2
PRC Enterprise Income Tax	**4,892**	1,760
Over provision in prior years		
Hong Kong Profits Tax	**(11)**	–
Deferred tax	**(1,593)**	(946)
Total income tax expense recognized in profit or loss	**3,288**	816

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years.

Under the prevailing tax law in the PRC, PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Notwithstanding the above, certain PRC subsidiaries have obtained written approvals from the local government authorities and were subject to PRC Enterprise Income Tax at the effective rate, ranging from 2.5% to 3% (2014: 2.5%) on revenue for the year ended 31 March 2015.

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Directors' and chief executive's emoluments	**9,249**	19,777
Employee benefits expense (excluding directors' and chief executive's emoluments):		
– Salaries and other benefits *(Note (i))*	**11,138**	11,126
– Contributions to retirement benefits schemes *(Note (i))*	**500**	681
– Equity-settled share-based payments	**–**	1,163
Total staff costs	**20,887**	32,747
Auditors' remuneration	**1,410**	1,580
Amortization of other intangible assets included in general and administrative expenses	**1,393**	4,259
Cost of inventories recognized as expense	**3,903**	32,493
Depreciation of property, plant and equipment *(Note (ii))*	**7,895**	6,543
Loss on disposal of property, plant and equipment – net	**24**	94
Expenses in relation to share options granted to consultants	**–**	7,979
Impairment loss of inventories included in general and administrative expenses	**367**	–
Minimum lease payments paid under operating leases in respect of land and buildings	**1,338**	2,290

Notes:

(i) Amount excluded expenses capitalized in construction in progress of approximately HK$27,000 for the year ended 31 March 2014. Salaries and other benefits of approximately HK$2,200,000 were capitalized in inventories for the year ended 31 March 2015 (2014: HK$1,529,000).

(ii) Amount excluded expenses capitalized in construction in progress of approximately HK$1,583,000 for the year ended 31 March 2014. Depreciation of property, plant and equipment of approximately HK$2,106,000 was capitalized in inventories for the year ended 31 March 2015 (2014: HK$4,938,000).

9. DIVIDEND

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

10. LOSS PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(514,793)**	(66,314)

Number of shares

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**892,807**	797,358

The computation of diluted loss per share did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option schemes, convertible bonds and outstanding warrants since their exercise would have an anti-dilutive effect.

11. OTHER INTANGIBLE ASSETS

	Mining rights	**License**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Cost			
Balance at 1 April 2013	151,194	–	151,194
Acquired on acquisition of subsidiaries	–	625	625
Effect of foreign currency exchange differences	2,754	(2)	2,752
Balance at 31 March 2014	153,948	623	154,571
Effect of foreign currency exchange differences	754	3	757
Balance at 31 March 2015	**154,702**	**626**	**155,328**

	Mining rights	License	Total
	HK$'000	*HK$'000*	*HK$'000*
Accumulated amortization			
Balance at 1 April 2013	9,775	–	9,775
Charged for the year	4,244	15	4,259
Effect of foreign currency exchange differences	173	–	173
Balance at 31 March 2014	14,192	15	14,207
Charged for the year	1,360	33	1,393
Effect of foreign currency exchange differences	75	–	75
Balance at 31 March 2015	**15,627**	**48**	**15,675**
Carrying amounts			
Balance at 31 March 2015	**139,075**	**578**	**139,653**
Balance at 31 March 2014	139,756	608	140,364

12. EXPLORATION AND EVALUATION ASSETS

	HK$'000
Cost	
Balance at 1 April 2013	1,151,082
Additions	1,493
Effect of foreign currency exchange differences	20,965
Balance at 31 March 2014	1,173,540
Additions	316
Effect of foreign currency exchange differences	5,745
Balance at 31 March 2015	**1,179,601**

	HK$'000
Accumulated impairment losses	
Balance at 1 April 2013	–
Impairment loss recognized	164,010
Effect of foreign currency exchange differences	–
Balance at 31 March 2014	164,010
Impairment loss recognized	547,839
Effect of foreign currency exchange differences	803
Balance at 31 March 2015	**712,652**
Carrying amounts	
Balance at 31 March 2015	**466,949**
Balance at 31 March 2014	1,009,530

The exploration and evaluation assets include costs of exploration rights, geological, geochemical and geophysical costs, drilling and exploration and evaluation expenses directly attributable to exploration activities.

13. GOODWILL

	HK$'000
Cost and carrying amounts	
Balance at 1 April 2013	94,177
Amount recognized on acquisition of subsidiaries occurred	581,995
Effect of foreign currency exchange differences	(405)
Balance at 31 March 2014	675,767
Effect of foreign currency exchange differences	3,308
Balance at 31 March 2015	**679,075**

14. LOANS RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Loans receivables from Money lending operations	**199,416**	134,347

The Group seeks to maintain strict control over its outstanding loans receivables so as to minimize credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability. Loans receivables are charging on effective interest rate mutually agreed with the contracting parties, ranging from 6% to 12% (2014: 12% to 36%) per annum.

A maturity profile of the loans receivables as at the end of the reporting period, based on the maturity date is as follows:

	2015	2014
	HK$'000	*HK$'000*
To be matured:		
Within 1 month	**45,397**	69,787
3 months or less but over 1 month	**38,821**	20,135
6 months or less but over 3 months	**58,168**	44,247
Neither past due nor impaired	**142,386**	134,169
Matured:		
Less than 1 month	**1,075**	178
Less than 3 months but over 1 month	**2,150**	–
Less than 6 months but over 3 months	**3,224**	–
Less than 1 year but over 6 months	**50,581**	–
	199,416	134,347

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**1,193**	2,663
Prepayments	**675**	689
Deposits	**2,454**	14,339
Other receivables	**415**	240
	4,737	17,931

Trade receivables represent consultancy service income receivables in respect of the Money lending operations in the PRC.

The following is an analysis of trade receivables by age, presented based on the respective revenue recognition dates:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**47**	1,811
31 – 60 days	**–**	607
61 – 90 days	**–**	245
91 – 180 days	**1,146**	–
	1,193	2,663

16. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**179**	–
Accrued expenses and other payables	**8,017**	8,738
Deposit received for construction in mining sites	**1**	26
Payables for acquisition of property, plant and equipment and exploration of mines	**790**	1,400
PRC business tax and other levies payable	**9,208**	8,909
Receipt in advance	**–**	530
	18,195	19,603

The following is an analysis of trade payables by age, presented based on the invoice dates:

	2015	2014
	HK$'000	*HK$'000*
91 – 180 days	**179**	–

17. CONVERTIBLE BONDS

The movement of the liability component of the convertible bonds for the year is set out below:

	HK$'000
Balance at 1 April 2013	–
Issued during the year	83,840
Effective interest expense charged *(Note 6)*	4,135
Arising from conversion of convertible bonds	(5,086)
Balance at 31 March 2014	82,889
Effective interest expense charged *(Note 6)*	17,920
Balance at 31 March 2015	**100,809**

18. PROMISSORY NOTES

During the year ended 31 March 2014, the Group issued promissory notes with principal amount of HK$150,000,000 ("**T1 P-Note**") and HK$50,000,000 ("**T2 P-Note**") respectively as part of the consideration to the acquisition of Treasure Join Limited. Under the terms of the promissory notes, the promissory notes with aggregate principal amount of HK$200,000,000 are unsecured, interest bearing at 1.5% per annum and has a maturity period of 5 years from the date of issue but can be repaid in whole or in part before maturity at the discretion of the Company at its principal amount and accrued interest up to the redemption date. The promissory notes were fair valued at initial recognition with an effective interest rate of 12.38% per annum for T1 P-Note and 12.40% per annum for T2 P-Note respectively.

On 29 January 2014, Mr. Leung Ngai Man ("**Mr. Leung**"), being the chairman, an executive Director and substantial shareholder of the Company has executed a deed of waiver ("**Deed of Waiver**") in favor of the Group, pursuant to which Mr. Leung irrevocably and unconditionally waived, released and discharged the Group from the obligation to pay the (i) T3 Price and T4 Price (as defined in the Company's circular dated 24 September 2013 ("**Circular**")); and (ii) the obligation to pay the entirety of interest accrued and accruing on the T1 P-Note and the T2 P-Note, conditional upon a sum of HK$170,000,000 (being a portion of the aggregate principal amounts owing by the Group to Mr. Leung under the T1 P-Note and the T2 P-Note in connection with the acquisition of Treasure Join Limited) being paid to Mr. Leung on or before 28 February 2014. As the Deed of Waiver involves the waiving of the payment obligations of the Group in respect of the T3 Price, the T4 Price and the obligation to pay the entirety of interest accrued and accruing on the T1 P-Note and the T2 P-Note, it constitutes financial assistance provided by Mr. Leung and it therefore constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the financial assistance provided by Mr. Leung was on terms better to the Company and no security over any assets of the Group was granted in respect of such financial assistance, the execution of the Deed of Waiver was exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

During the year ended 31 March 2015, the Company early redeemed part of the promissory notes with principal amount of HK$20,000,000 (2014: HK$170,000,000) and incurred loss on early redemption of promissory notes of approximately HK$7,273,000 (2014: HK$60,827,000) and has been recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.

19. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Authorized:		
At 1 April 2013, ordinary shares of HK$0.10 each	2,000,000,000	200,000
Increased during the year *(Note (i))*	2,000,000,000	200,000
Share subdivision *(Note (ii))*	36,000,000,000	–
At 31 March 2014 and 2015, ordinary shares of HK$0.01 each	**40,000,000,000**	**400,000**
Issued and fully paid:		
At 1 April 2013, ordinary shares of HK$0.10 each	775,787,497	77,579
Exercise of share options *(Note (iv))*	37,800,000	3,780
Conversion of convertible bonds *(Note (v))*	31,000,000	3,100
Capital reduction *(Note (iii))*	–	(76,013)
At 31 March 2014, ordinary shares of HK$0.01 each	844,587,497	8,446
Issue of new ordinary shares *(Note (vi))*	160,000,000	1,600
At 31 March 2015, ordinary shares of HK$0.01 each	**1,004,587,497**	**10,046**

Notes:

(i) Pursuant to an ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 11 October 2013, the authorized share capital of the Company was approved to be increased with effect from 11 October 2013 from HK$200,000,000 (divided into 2,000,000,000 shares of HK$0.10 each) to HK$400,000,000 (divided into 4,000,000,000 shares of HK$0.10 each) by the creation of an additional 2,000,000,000 ordinary shares of HK$0.10 each in the share capital of the Company.

(ii) Pursuant to a special resolution passed by the shareholders of the Company at the extraordinary general meeting held on 11 December 2013, a share subdivision was approved and became effective on 25 March 2014 in which every of the authorized but unissued ordinary shares with par value of HK$0.10 each in the share capital of the Company was subdivided into 10 unissued ordinary shares with par value of HK$0.01 per share (the "**Share Subdivision**"). Immediately after the Share Subdivision, the authorized share capital of the Company comprised 40,000,000,000 ordinary shares of HK$0.01 each.

(iii) Pursuant to a special resolution passed by the shareholders of the Company at the extraordinary general meeting held on 11 December 2013 and became effective on 25 March 2014, the par value of each of the issued existing shares was reduced from HK$0.10 to HK$0.01 per share by canceling paid-up capital of HK$0.09 per share by way of a reduction of capital, so as to form ordinary shares with par value of HK$0.01 each (the "**Capital Reduction**"). The credit arising from the capital reduction of approximately HK$76,013,000 was applied towards canceling the accumulated losses of the Company.

(iv) During the year ended 31 March 2014 and prior to the Share Subdivision and Capital Reduction as set out in notes (ii) and (iii) above, subscription rights attaching to options to subscribe for 30,800,000 and 7,000,000 shares of the Company were exercised at the subscription price of HK$0.200 per share and HK$0.192 per share respectively, resulting in the issuance of 37,800,000 ordinary shares of HK$0.10 each for a total cash consideration of approximately HK$7,504,000.

(v) During the year ended 31 March 2014 and prior to the Share Subdivision and Capital Reduction set out in notes (ii) and (iii) above, 31,000,000 ordinary shares of HK$0.10 each were issued pursuant to the exercise of the conversion rights attaching to the Company's convertible bonds issued in connection with the acquisition of Treasure Join Limited at a conversion price of HK$0.37 per share.

(vi) On 8 December 2014, Mr. Leung, the Company and the placing agent entered into the placing and subscription agreement pursuant to which (i) the placing agent have agreed to act as agents for Mr. Leung to place, on a best effort basis, and Mr. Leung has agreed to sell, a total of up to 160,000,000 placing shares to not less than six placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert with Mr. Leung, the Company and their respective associates and connected persons, at the placing price of HK$0.216 per placing share; and (ii) Mr. Leung has conditionally agreed to subscribe for up to 160,000,000 new subscription shares at the subscription price of HK$0.216 per subscription share.

Completion of the placing took place on 9 December 2014 in accordance with the placing and subscription agreement and an aggregate of 160,000,000 placing shares were placed to not less than six placees who are independent third parties, at the placing price of HK$0.216 per placing share.

On 12 December 2014, an aggregate of 160,000,000 ordinary shares of HK$0.01 each in the capital of the Company were allotted and issued to Mr. Leung at HK$0.216 per subscription share. The exercise gave rise to a net proceed of approximately HK$33,313,000.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL REVIEW

The following sets out the major developments of the Group during the Reporting Period.

Current Operations

Micro-Financing Business and Investment and Management Consultation Services

The Group completed the acquisition of the micro-financing business and investment and management consultation services in the PRC in 2013. As disclosed in the Company's announcement dated 23 June 2014, Jilin Ruixin Microfinance Co., Ltd.(吉林市瑞信小額貸款有限公司)("**Jilin Ruixin**") had received a written approval dated 17 June 2014 from Jilin Province Financial Affairs Office(吉林省金融工作辦公室)for the increase in the registered capital of Jilin Ruixin from RMB100 million to RMB150 million. The Board had further obtained a PRC legal opinion advising that there is no legal obstacle for Jilin Ruixin to obtain approval for any further increase in its registered capital in the future.

As disclosed in the Company's announcement dated 30 September 2014, Jilin Ruixin had further received a letter (the "**Letter**") from Jilin Economic and Technical Cooperation Bureau(吉林市經濟技術合作局)(the "**JETCB**") dated 29 September 2014 stating, among other things, that:

- the business of Jilin Ruixin has been operating well since its establishment, which has helped promoting the development of the micro-financing industry in Jilin City;
- the JETCB welcomes a further increase in investment by Jilin Ruixin; and
- if the registered capital of Jilin Ruixin is increased to RMB300 million, Jilin Ruixin can operate its business in the entire Jilin Province.

The Board considers that the indication from JETCB that Jilin Ruixin can potentially operate its business in the entire Jilin Province (instead of only within Jilin City as Jilin Ruixin is currently allowed to) represents a valuable opportunity for the future business development of Jilin Ruixin. In this connection and pursuant to the Letter, the Board intends to further increase the registered capital of Jilin Ruixin to RMB300 million. To finance such increase in the registered capital of Jilin Ruixin, the Board may consider different financing alternatives, including internal resources, debt financing, equity financing or a combination of the above. If the Board decides to conduct any fund raising activities in this connection, the Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules.

Aohan Qi Mine, Inner Mongolia

Aohanqi Xinrui En Industry Co., Ltd.(敖漢旗鑫瑞恩礦業有限責任公司)("**Aohanqi**"), an indirect non wholly-owned subsidiary of the Company has applied to relevant PRC government authorities for an increase of its total investment amount. However, up to the date of this annual result announcement, the application is still pending approval by the aforesaid authorities, and the proposal by the foreign shareholder of Aohanqi of increasing the registered capital of Aohanqi to meet its working capital requirement has not been given consent yet by the Chinese shareholder of Aohanqi. Due to low gold price as a result of weak domestic economy, increasing production cost and capital shortage, the Aohan Qi Mine is currently operating on a small scale, and is in routine maintenance phase.

Zhongyi Weiye Heilongjiang Mines("Zhongyi Weiye"), Heilongjiang Province, PRC

Zhongyi Weiye has applied to Ministry of Land and Resources for the renewal of exploration rights in respect of No. 290 Highland, and in line with applicable national policies, Ministry of Land and Resources consulted the relevant authorities in this regard since the area covered by the exploration rights is located near the border, and the relevant authorities did not give consent to Zhongyi Weiye for exploration on No. 290 Highland by reasons of the fact that No. 290 Highland is located close to Sino-Russian border where relevant facilities are situated. As at the date of the approval of this annual result announcement, the approval for the renewal of the exploration rights has not been obtained. In addition, due to low gold prices in the world markets and increasing production cost, during the Reporting Period the management of the Group also decided to conduct minimal geological work on Paoshouying Mine and Dumuhe Mine in order to preserve the exploration rights. Accordingly, the Company has reassessed the projected cash flow relating to the value in use by reference to valuation performed by an independent professional valuer, and an aggregate amount of impairment loss of approximately HK$547,839,000 has been made for the year ended 31 March 2015.

Legal Proceedings

As disclosed in the announcement of the Company on 19 December 2014, the Group has initiated legal proceedings at Jilin City Intermediate People's Court（吉林市中級人民法院）(the "**Court**") in the PRC against certain state-owned enterprises due to the defaults in payment by such enterprises.

In June 2014, the Group, through its micro-financing operation in Jilin, the PRC, granted eight micro-finance loans (the "**Loans**") of RMB5 million each to eight state-owned enterprises (the "**Customers**"). The Loans matured in September 2014 but the Customers failed to make repayments to the Group on time.

The Group received notices dated 17 December 2014 and 18 December 2014 respectively which accepted the Group's legal actions for further processing in respect of the Customers and their respective guarantors.

On 21 April 2015, the Court made a ruling in relation to the Loans. It was ruled that the Customers shall pay the outstanding principal and interest due to Jilin Ruixin, together with overdue interest accrued up to the date of payment, within 10 days of the effective date of the ruling. The court confirmed that the ruling has become effective on 8 June 2015. As the Customers did not perform the obligations under the ruling by 18 June 2015, on 19 June 2015, Jilin Ruixin made a petition to the Court that the Court enforce the property of the Customers, including further seize the enforced property, evaluate and auction the lands and real estates of the Customers, and withdraw funds from the frozen accounts, until the full settlement of the abovementioned debts.

Outlook

Save as disclosed above, due to falling gold prices in the world markets and increasing production cost, the Group suspended the mining and exploration work of its mines. In addition to focusing resources on micro-financing business and management and consultation services, and in response to the new industry policies of the PRC central government, Jilin Ruixin, a subsidiary of the Group, has applied to relevant PRC government authorities for the approval of Internet financing, including Internet lending and peer to peer (P2P) lending business, and has been exploring new business opportunities, to achieve better returns for Shareholders.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded total turnover of approximately HK$55,957,000 (year ended 31 March 2014 ("**FY2014**"): HK$53,830,000) which mainly comprises a turnover of (i) approximately HK$2,740,000 from the sales of gold (FY2014: HK$24,041,000); (ii) no revenue recorded from the sales of gold concentrates (FY2014: HK$6,249,000); (iii) approximately HK$84,000 from the sales of silver concentrates (FY2014: HK$106,000); (iv) approximately HK$36,000 from the sales of bronze concentrates (FY2014: Nil); (v) approximately HK$18,149,000 representing interest income from loan financing activities (FY2014: HK$8,137,000); and (vi) approximately HK$34,948,000 representing consultancy services income (FY2014: HK$15,297,000). The Group's total turnover slightly increased by approximately 4% as compared to last financial year. Such increase was mainly attributable to the increase of interest income from loan financing activities and consultancy services income which was mostly offset by the decrease in sales of gold and sales of gold concentrates.

During the Reporting Period, the Group's net loss attributable to owners of the Company was approximately HK$514,793,000 (FY2014: approximately HK$66,314,000). The increase in the Group's net loss attributable to owners of the Company was mainly due to (i) the impairment loss of exploration and evaluation assets of approximately HK$547,839,000 and (ii) no gain on waiver of contingent consideration for acquisition of subsidiary for that financial year.

The loss attributable to owners of the Company for the year under review was mainly attributable to the impairment loss of exploration and evaluation assets due to encountering some legal obstacles in renewing the exploration licence in respect of No. 290 Highland.

Management has reviewed exploration and evaluation assets for impairment testing purpose based on the mining production forecast and taking reference with a valuation performed by an independent valuer. The income approach has been consistently adopted for impairment testing of exploration and evaluation assets. The valuation employing the income approach projects the cash flows based on life of mining deposits and discount these cash flows to its present value at a discount rate reflecting the risks associated with the cash flows. The market approach is not adopted as there are insufficient relevant comparable transaction for reference and the asset approach is not applied as it may ignore the future economic benefits of the business. Therefore, only income approach is employed for the valuation. The cash flow projection has been prepared by referring to the current operation environment and market conditions. The major inputs of the valuation include the pre-tax discount rate and gold price. The pre-tax discount rate of 33.4% reflects the minimum required return of the gold mining business plus other specific risk of the underlying business. The gold price of approximately RMB224 per gram is determined by referring to the market price.

As at 31 March 2015, the Group's total assets was approximately HK$1,667,501,000 (as at 31 March 2014: approximately HK$2,178,453,000), and the total liabilities was approximately HK$194,275,000 (as at 31 March 2014: approximately HK$184,709,000). The Group's net asset value as at 31 March 2015 decreased by 26.1% to approximately HK$1,473,226,000 as compared to approximately HK$1,993,744,000 as at 31 March 2014.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and capital fund raising activities.

As at 31 March 2015, the Group had bank balances and cash of approximately HK$74,722,000 (as at 31 March 2014: approximately HK$93,193,000). As at 31 March 2015, the Group had outstanding convertible bonds and promissory notes amounted to HK$100,809,000 and HK$6,529,000 respectively. Its gearing ratio calculated as a ratio of net debt (representing borrowings less bank balances and cash) to total equity was approximately 2.21% (as at 31 March 2014: 0.36%). As at 31 March 2015, net current assets of the Group totaled approximately HK$250,330,000 (as at 31 March 2014: approximately HK$218,960,000) and the current ratio was maintained at a level of approximately 8 (as at 31 March 2014: approximately 8).

On 11 April 2012, an aggregate of 152,000,000 unlisted warrants of the Company were successfully placed by the Company to not less than six placees who are third parties independent of and not connected with the Company and its connected persons, at the placing price of HK$0.01 per warrant and the subscription price of HK$0.72 per warrant share. The subscription period for the warrants is from the date of issue of the warrants to 31 December 2014 (both dates inclusive). On 1 January 2015, 152,000,000 unlisted warrants were expired.

On 12 December 2014, the Company allotted and issued 160,000,000 ordinary shares of HK$0.01 each by way of placing at a placing price of HK$0.216 per share to not less than six placees who are independent third parties. The placing represents an opportunity for the Company to raise capital while broadening its shareholders base as well as its capital base. The aggregate gross and net proceeds from the placing were approximately HK$34.56 million and HK$33.31 million, respectively. The net price per share was approximately HK$0.208. As at 31 March 2015, approximately HK$7.31 million was used as general working capital (including salaries and office expenses) as intended and the remaining balance of HK$26 million were placed in licensed bank for future use.

TREASURY POLICIES

As at 31 March 2015, the Group had cash and bank balances of approximately HK$74,722,000 (2014: HK$93,193,000), most of which were denominated in Renminbi and placed as short-term deposits. The Group has sufficient capital, and generally exercises caution when using cash and making capital commitments. As at 31 March 2015, the Group had loans receivables of approximately HK$199,416,000 (2014: HK$134,347,000). It also planned to invest more capital in the micro-financing business and financial management consultation services business of its PRC subsidiaries.

CONTINGENT LIABILITIES

As at 31 March 2015 and 31 March 2014, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2015, the Group did not have any capital commitments:

	2015	2014
	HK$'000	*HK$'000*
Contracted but not provided for		
– Exploration and evaluation expenditure	**–**	948

FOREIGN EXCHANGE EXPOSURE

The Group's exposure to currency exchange rates is minimal as the Group usually holds most of their financial assets/liabilities in their own functional currencies.

Transactional currency exposures arise from revenue or cost of sales by operating units in currencies other than the unit's functional currency. Substantially all of the Group's revenue and cost of sales are denominated in the functional currency of the operating units generating the revenue, and substantially all of the cost of sales are denominated in the operating unit's functional currency. Accordingly, the Directors consider that the Group is not exposed to significant foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed 81 full-time employees in the PRC and Hong Kong. The Group remunerated its employees based on their performance, qualifications, work experience and the prevailing market salaries. Performance related bonuses are paid on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and grant of share options under the Company's share options scheme.

DIVIDEND

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

MATERIAL ACQUISITIONS OR DISPOSALS

Save as disclosed in this announcement, there were no material acquisitions or disposals of subsidiaries or associates during the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the Company's code of conduct for dealing in securities of the Company by the Directors. In response to the Company's specific enquiry made, all Directors of the Reporting Period have confirmed that they have complied with the required standard set out in the Model Code throughout the Reporting Period.

CORPORATE GOVERNANCE & PRACTICES

The Board is committed to maintaining high standard of corporate governance within the Group at all times and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its performance.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Listing Rules and strives to implement the best practices embodies in the Code where feasible and as far as practicable. Save as disclosed in this announcement, the Company was in compliance with the Code for the Reporting Period.

Code Provision A.2.1

Pursuant to the Code Provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Sung Kin Man, the former chief executive officer of the Company on 2 March 2015, the Company has not appointed a chief executive and the role and functions of chief executive have been performed by all the executive Directors, including the Chairman, collectively.

Code Provision A.5.1

Pursuant to the Code Provision A.5.1, the Company should establish a nomination committee which should be chaired by the chairman of the Board or an independent non-executive Director. However, the Company has not established a nomination committee but it has formulated a policy statement (the "**Policy Statement**") regarding nomination of Directors and senior officers. The Company considers that the Policy Statement is an effective mechanism which sets out the Board's policy on nomination of Directors and senior officers of the Company. The Policy Statement is available at the website of the Company.

Code Provision D.1.4

Pursuant to the Code Provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letter of appointment for Ms. Wong Li Fong who was appointed as an executive Director on 2 March 2015. However, she is subject to retirement and re-election at the next following general meeting of the Company after her appointment and thereafter subject to retirement by rotation in accordance with the articles of association of the Company. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Nonexecutive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statue and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms. Xuan Hong (the chairlady of the Audit Committee), Mr. Cai Wei Lun and Mr. Zhang Qingkui. The Audit Committee has adopted the terms of reference in line with the Code. The Audit Committee is responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors and reviewing of the Group's financial information as well as overseeing of the Group's financial reporting systems, internal control procedures and risk management frameworks. The Audit Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval.

The annual consolidated results of the Group for the Reporting Period have been reviewed by the Audit Committee.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results of the Group for the Reporting Period is available for viewing on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.sinoprosper.com. An annual report for the Reporting Period containing all the information required by the Listing Rules will be despatched to the shareholders and available on the above websites in due course.

By order of the Board
Sino Prosper (Group) Holdings Limited
Leung Ngai Man
Chairman and Executive Director

Hong Kong, 29 June 2015

As at the date of this announcement, the executive Directors are Mr. Leung Ngai Man and Ms. Wong Li Fong; and the independent non-executive Directors are Mr. Cai Wei Lun, Mr. Zhang Qingkui and Ms. Xuan Hong.