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**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 INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Prosper (Group) Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2015 (the “**Reporting Period**”) together with comparative figures for the previous corresponding period, which have been reviewed by the audit committee (the “**Audit Committee**”) of the Board.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2015</b>	<b>2014</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>19,379</b>	26,445
Cost of sales		<u><b>(1,699)</b></u>	<u>–</u>
Gross profit		<b>17,680</b>	26,445
Other income and gains	5	<b>767</b>	867
General and administrative expenses		<b>(19,391)</b>	(17,161)
Finance costs	6	<u><b>(8,108)</b></u>	<u>(5,990)</u>
(Loss)/profit before tax		<b>(9,052)</b>	4,161
Income tax expense	7	<u><b>(2,687)</b></u>	<u>(2,226)</u>
<b>(Loss)/profit for the period</b>	<b>8</b>	<u><b>(11,739)</b></u>	<u>1,935</u>
<b>Other comprehensive (expense)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u><b>(55,793)</b></u>	<u>3,943</u>
Other comprehensive (expense)/income for the period, net of income tax		<u><b>(55,793)</b></u>	<u>3,943</u>
<b>Total comprehensive (expense)/income for the period</b>		<u><b>(67,532)</b></u>	<u>5,878</u>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(10,182)</b>	3,596
Non-controlling interests		<u><b>(1,557)</b></u>	<u>(1,661)</u>
		<u><b>(11,739)</b></u>	<u>1,935</u>
<b>Total comprehensive (expense)/income attributable to:</b>			
Owners of the Company		<b>(63,643)</b>	7,306
Non-controlling interests		<u><b>(3,889)</b></u>	<u>(1,428)</u>
		<u><b>(67,532)</b></u>	<u>5,878</u>
<b>(Loss)/earnings per share</b>			
	<i>10</i>		
Basic (HK cents per share)		<u><b>(0.97)</b></u>	<u>0.43</u>
Diluted (HK cents per share)		<u><b>(0.97)</b></u>	<u>0.42</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2015 (Unaudited) <i>HK\$'000</i>	At 31 March 2015 (Audited) <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		90,729	95,496
Other intangible assets		133,521	139,653
Exploration and evaluation assets		449,247	466,949
Goodwill		652,960	679,075
		<b>1,326,457</b>	1,381,173
<b>Current assets</b>			
Inventories		7,328	7,453
Loans receivables	11	138,299	199,416
Trade and other receivables	12	6,137	4,737
Bank balances and cash		127,188	74,722
		<b>278,952</b>	286,328
<b>Current liabilities</b>			
Trade and other payables	13	19,312	18,195
Amount due to a non-controlling interest of a subsidiary		9,056	9,418
Amounts due to related parties		4,045	4,995
Tax payable		2,493	3,390
		<b>34,906</b>	35,998
<b>Net current assets</b>		<b>244,046</b>	250,330
<b>Total assets less current liabilities</b>		<b>1,570,503</b>	1,631,503
<b>Non-current liabilities</b>			
Convertible bonds		81,602	100,809
Promissory notes		6,933	6,529
Provision for restoration costs		386	401
Deferred tax liabilities		44,500	50,538
		<b>133,421</b>	158,277
<b>Net assets</b>		<b>1,437,082</b>	1,473,226
<b>Capital and reserves</b>			
Share capital		11,311	10,046
Reserves		1,370,283	1,403,803
Equity attributable to owners of the Company		<b>1,381,594</b>	1,413,849
Non-controlling interests		55,488	59,377
<b>Total equity</b>		<b>1,437,082</b>	1,473,226

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standards (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015 except for the adoption of the new and revised HKFRSs (which include individual HKFRSs and HKASs) as described in note 2 below.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

During the Reporting Period, the Group has applied the following amendments issued by the HKICPA, which are effective for the Group’s financial year beginning 1 April 2015:

Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2010 – 2012 Cycle</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2011 – 2013 Cycle</i>

The Directors anticipate that the application of the amendments has had no material impact on the Group’s financial performance and positions for the current and prior periods.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective.

### 3. REVENUE

An analysis of the Group’s revenue for the Reporting Period and the six months ended 30 September 2014 is as follows:

	Six months ended 30 September	
	2015 (Unaudited) HK\$’000	2014 (Unaudited) HK\$’000
Revenue from sales of silver concentrates	124	–
Revenue from sales of bronze concentrates	61	–
Revenue from sales of gold	1,186	–
Interest income from loan financing activities	7,754	8,062
Consultancy services income	10,254	18,383
	<u>19,379</u>	<u>26,445</u>

#### 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**”).

The following tables present revenue and results for the Reporting Period and the six months ended 30 September 2014 and total assets and total liabilities as at 30 September 2015 and 31 March 2015 for the Group’s business segments.

	<b>Investment in energy and natural resources (including precious metals) related projects HK\$’000</b>	<b>Money lending HK\$’000</b>	<b>Total HK\$’000</b>
<b>Six months ended 30 September 2015 (Unaudited)</b>			
Segment revenue	<u>1,371</u>	<u>18,008</u>	<u>19,379</u>
Segment (loss)/profit	<u>(1,945)</u>	<u>14,525</u>	12,580
Interests on bank deposits, other income			767
Finance costs			(8,108)
Central administration costs			<u>(14,291)</u>
Loss before tax			<u>(9,052)</u>
<b>Six months ended 30 September 2014 (Unaudited)</b>			
Segment revenue	<u>–</u>	<u>26,445</u>	<u>26,445</u>
Segment (loss)/profit	<u>(3,016)</u>	<u>20,893</u>	17,877
Interests on bank deposits, other income and gains			867
Finance costs			(5,990)
Central administration costs			<u>(8,593)</u>
Profit before tax			<u>4,161</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the Reporting Period (six months ended 30 September 2014: Nil).

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

	<b>Investment in energy and natural resources (including precious metals) related projects HK\$'000</b>	<b>Money lending HK\$'000</b>	<b>Total HK\$'000</b>
<b>As at 30 September 2015 (Unaudited)</b>			
Segment assets	774,711	796,477	1,571,188
Corporate and unallocated assets			<u>34,221</u>
Consolidated assets			<u><u>1,605,409</u></u>
Segment liabilities	48,253	1,577	49,830
Corporate and unallocated liabilities			<u>118,497</u>
Consolidated liabilities			<u><u>168,327</u></u>
<b>As at 31 March 2015 (Audited)</b>			
Segment assets	807,320	832,504	1,639,824
Corporate and unallocated assets			<u>27,677</u>
Consolidated assets			<u><u>1,667,501</u></u>
Segment liabilities	53,396	2,578	55,974
Corporate and unallocated liabilities			<u>138,301</u>
Consolidated liabilities			<u><u>194,275</u></u>

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.

## 5. OTHER INCOME AND GAINS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest income on bank deposits	<b>444</b>	420
Net foreign exchange gains	–	369
Sundry income	<b>323</b>	78
	<u><b>767</b></u>	<u>867</u>

## 6. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Effective interest on convertible bonds	<b>7,704</b>	4,912
Effective interest on promissory notes	<b>404</b>	1,078
	<u><b>8,108</b></u>	<u>5,990</u>

## 7. INCOME TAX EXPENSE

### Income tax recognized in profit or loss

	Six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	97
The People's Republic of China (“ <b>PRC</b> ”) Enterprise Income Tax	<b>2,183</b>	2,266
Deferred tax	<b>504</b>	(137)
Total income tax expense recognized in profit or loss	<b><u>2,687</u></b>	<b><u>2,226</u></b>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profit for the Reporting Period.

Under the prevailing tax law in the PRC, PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both the Reporting Period and the six months ended 30 September 2014. 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, the PRC subsidiaries were subject to PRC Enterprise Income Tax at the effective rate ranging from 2.5% to 3% on revenue for the Reporting Period.



## 8. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
(Loss)/profit for the period has been arrived at after charging:		
Directors' emoluments	3,598	4,760
Employee benefits expense (excluding directors' emoluments):		
– Salaries and other benefits ( <i>Note (i)</i> )	3,886	5,022
– Contributions to retirement benefits schemes ( <i>Note (i)</i> )	155	241
Total staff costs	<u>7,639</u>	<u>10,023</u>
Auditors' remuneration	705	690
Amortization of other intangible assets included in general and administrative expenses	780	237
Cost of inventories recognized as expense	1,699	–
Depreciation of property, plant and equipment ( <i>Note (ii)</i> )	1,108	1,548
Loss on disposal of property, plant and equipment	–	458
Impairment loss on trade receivables	431	–
Minimum lease payments paid under operating leases in respect of:		
– Land and buildings	685	687
– Equipment	9	14

### Notes:

- (i) Amount excluded expenses capitalized in construction in progress of approximately HK\$15,000 for the six months ended 30 September 2014. Salaries and other benefits of approximately HK\$627,000 were capitalized in inventories for the Reporting Period (six months ended 30 September 2014: HK\$978,000).
- (ii) Depreciation of property, plant and equipment of approximately HK\$679,000 was capitalized in inventories for the Reporting Period (six months ended 30 September 2014: HK\$310,000).

## 9. INTERIM DIVIDEND

The Directors resolved not to declare the payment of any interim dividend for the Reporting Period (six months ended 30 September 2014: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>(Loss)/earnings</b>		
(Loss)/earnings for the period attributable to owners of the Company for the purposes of basic and diluted (loss)/earnings per share	<u><u>(10,182)</u></u>	<u><u>3,596</u></u>

### Number of shares

	Six months ended 30 September	
	2015 (Unaudited) '000	2014 (Unaudited) '000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	1,052,284	844,587
Effect of dilutive potential ordinary shares:		
Share options	<u>—</u>	<u>3,522</u>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u><u>1,052,284</u></u>	<u><u>848,109</u></u>

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

The computation of diluted earnings per share for the six months ended 30 September 2014 did not assume the exercise of the Company's potential ordinary shares granted under the Company's convertible bonds and outstanding warrants since their exercise would have an anti-dilutive effect.

## 11. LOANS RECEIVABLES

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Loans receivables from Money lending operations	<u><u>138,299</u></u>	<u><u>199,416</u></u>

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 Group's 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% per annum (at 31 March 2015: ranging from 6% to 12% 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:

	At <b>30 September</b> <b>2015</b> <b>(Unaudited)</b> <b>HK\$'000</b>	At 31 March 2015 (Audited) HK\$'000
To be matured:		
Within 1 month	<b>9,119</b>	45,397
3 months or less but over 1 month	<b>65,050</b>	38,821
6 months or less but over 3 months	<b>–</b>	58,168
	<hr/>	<hr/>
Neither past due nor impaired	<b>74,169</b>	142,386
Matured:		
Less than 1 month	<b>608</b>	1,075
Less than 3 months but over 1 month	<b>1,131</b>	2,150
Less than 6 months but over 3 months	<b>6,809</b>	3,224
Less than 1 year but over 6 months	<b>5,706</b>	50,581
More than 1 year	<b>49,876</b>	–
	<hr/>	<hr/>
	<b>138,299</b>	199,416
	<hr/> <hr/>	<hr/> <hr/>

Loans receivables that were neither past due nor impaired relate to diversified customers for whom there was no recent history of default. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these loans receivables as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of the loans receivables which are past due as the loans receivables are still considered recoverable. Further details please refer to the paragraph "Legal Proceedings" in Operational Review in this announcement.

As at 30 September 2015 and 31 March 2015, no loans receivables are secured by collaterals provided by customers. The loans receivables bear interest and are repayable with fixed terms agreed with the Group's customers.

## 12. TRADE AND OTHER RECEIVABLES

	At 30 September 2015 (Unaudited) <i>HK\$'000</i>	At 31 March 2015 (Audited) <i>HK\$'000</i>
Trade receivables	1,633	1,193
Impairment	<u>(421)</u>	<u>–</u>
	1,212	1,193
Prepayments	537	675
Deposits	2,073	2,454
Other receivables	<u>2,315</u>	<u>415</u>
Total trade and other receivables	<u><u>6,137</u></u>	<u><u>4,737</u></u>

Trade receivables represent consultancy services income receivables in respect of the Money Lending operations in the PRC.

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. No interest is charged on overdue trade receivables. The management of the Group closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality.

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

	At 30 September 2015 (Unaudited) <i>HK\$'000</i>	At 31 March 2015 (Audited) <i>HK\$'000</i>
0 – 30 days	243	47
31 – 60 days	251	–
61 – 90 days	49	–
91 – 180 days	–	1,146
181 – 365 days	<u>1,090</u>	<u>–</u>
	1,633	1,193
Impairment	<u>(421)</u>	<u>–</u>
	<u><u>1,212</u></u>	<u><u>1,193</u></u>

The above provision for impairment of trade receivables represent provision for individually impaired trade receivables of approximately HK\$421,000 for the Reporting Period. The individually impaired trade receivables mainly relate to customer that was in financial difficulties. It was assessed that only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

### 13. TRADE AND OTHER PAYABLES

	At <b>30 September</b> <b>2015</b> <b>(Unaudited)</b> <b>HK\$'000</b>	At 31 March 2015 (Audited) HK\$'000
Trade payables	188	179
Accrued expenses and other payables	9,007	8,017
Deposit received for construction in mining sites	1	1
Payables for acquisition of property, plant and equipment and exploration of mines	760	790
PRC business tax and other levies payable	<u>9,356</u>	<u>9,208</u>
	<b><u>19,312</u></b>	<b><u>18,195</u></b>

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

	At <b>30 September</b> <b>2015</b> <b>(Unaudited)</b> <b>HK\$'000</b>	At 31 March 2015 (Audited) HK\$'000
91 – 180 days	36	179
181 – 365 days	<u>152</u>	<u>–</u>
	<b><u>188</u></b>	<b><u>179</u></b>

## OPERATIONAL REVIEW

### Current Operations

#### *Aohan Qi Mine, Inner Mongolia*

Aohan Qi Mine is undergoing a period of small-scale operation and routine maintenance, due to the sluggish domestic economy, low gold price, rising production cost and capital shortage. On 6 May 2015, the Company completed the renewal of its *Mining Right Permit*, with validity extended to 6 May 2018.

#### *Zhongyi Weiye Heilongjiang Mines (“Zhongyi Weiye”), Heilongjiang Province, PRC*

With the international gold price remaining at low levels while the mining cost rising constantly, the management of the Group decided to focus mainly on the maintenance of mining right during the Reporting period. The exploration rights of the two mines expired on 16 April 2015 and are undergoing renewal process.

### Legal Proceedings

As disclosed in the announcement of the Company dated 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 from the Court 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, Jilin City Intermediate People’s Court (the “**Court**”) made the first instant verdict in relation to the legal proceedings proposed by the Group against certain state-owned enterprises due to their defaults in payment. It was judged that the abovementioned state-owned enterprises shall pay the outstanding principal and interest due to Jilin Ruixin Microfinance Co., Ltd. ( 吉林市瑞信小額貸款有限公司 ) (“**Ruixin Microfinance**”), together with overdue interest accrued up to the date of payment, within 10 days of the effective date of the judgment. The judgment ruled that respective guarantors of the Customers bear joint liability for the Customers’ debts owed to Ruixin Microfinance. The Court confirmed that the abovementioned civil judgment has become effective on 8 June 2015. As the Customers and their respective guarantors failed to perform the obligations specified under the Civil Judgment by the deadline 18 June 2015, on 19 June 2015, Ruixin Microfinance made a petition to the Court that the Court enforce the property of the Customers and their guarantors, including further seize the enforced property, evaluate and auction the lands and real estates of the persons subject to enforcement, and withdraw funds from the frozen accounts, and request the debtors to pay the due debts to Ruixin Microfinance until the full settlement of the abovementioned debts. On 10 November 2015, the Court legally withdrew RMB2.28 million of one of the Customers and transferred such money to Ruixin Microfinance. Meanwhile, the Court has initiated evaluation and auction procedures, and is currently evaluating the seized assets of the Customers and their guarantors which will be auctioned according to relevant laws after the evaluation.

## **Outlook**

In view of the uncertain economic prospects in China, and operational difficulties faced by the small and medium-sized enterprises, the subsidiaries of the Group will adopt prudent policies on the relevant micro-financing operation. Meanwhile, the Group will proactively explore new investment opportunities in accordance with the Chinese new “13th Five-Year Plan”, to bring greater returns for shareholders of the Company.

## **FINANCIAL REVIEW**

During the Reporting Period, the Group recorded a total turnover of approximately HK\$19,379,000 (six months ended 30 September 2014: approximately HK\$26,445,000) which mainly comprised a turnover of (i) approximately HK\$1,186,000 from the sales of gold (six months ended 30 September 2014: nil), (ii) approximately HK\$185,000 from the sales of silver & bronze concentrates (six months ended 30 September 2014: nil), (iii) approximately HK\$7,754,000 from interest income from loan financing activities (six months ended 30 September 2014: approximately HK\$8,062,000), and (iv) approximately HK\$10,254,000 from consultancy services income (six months ended 30 September 2014: approximately HK\$18,383,000). For the Reporting Period, the total turnover of the Group decreased by approximately 26.7% as compared to the last corresponding period. Such decrease was mainly attributable to the decrease in turnover from the consultancy service income during the Reporting Period. For the Reporting Period, the Group’s loss attributable to owners of the Company was approximately HK\$10,182,000 (six months ended 30 September 2014: profit attributable to owners of the Company of approximately HK\$3,596,000) as a result of the decrease in contribution from its consulting services business in the PRC during the Reporting Period.

As at 30 September 2015, the Group recorded total assets of approximately HK\$1,605,409,000 (as at 31 March 2015: approximately HK\$1,667,501,000), and recorded total liabilities of approximately HK\$168,327,000 (as at 31 March 2015: approximately HK\$194,275,000). The Group’s net asset value as at 30 September 2015 decreased by 2.45% to approximately HK\$1,437,082,000 as compared to approximately HK\$1,473,226,000 as at 31 March 2015.

## **LIQUIDITY AND FINANCIAL RESOURCES**

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

As at 30 September 2015, the Group had bank balances and cash of approximately HK\$127,188,000 (as at 31 March 2015: approximately HK\$74,722,000). As at 30 September 2015, the Group had outstanding amounts of HK\$81,602,000 for the convertible bonds (as at 31 March 2015: approximately HK\$100,809,000) and HK\$6,933,000 for the promissory notes (as at 31 March 2015: approximately HK\$6,529,000) respectively. Its gearing ratio calculated as a ratio of net debt to total equity was Nil (as at 31 March 2015: 2.21%). As at 30 September 2015, net current assets of the Group totaled approximately HK\$244,046,000 (as at 31 March 2015: approximately HK\$250,330,000) and the current ratio was maintained at a level of approximately 8 (as at 31 March 2015: approximately 8).

## **TREASURY POLICIES**

As at 30 September 2015, the Group had cash and bank balances of approximately HK\$127,188,000 (as at 31 March 2015: approximately HK\$74,722,000), 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 30 September 2015, the Group had loans receivables of approximately HK\$138,299,000 (as at 31 March 2015: approximately HK\$199,416,000). It also planned to invest more capital to the micro-financing business and financial management consultation services business of its PRC subsidiaries.

## **CONTINGENT LIABILITIES**

As at 31 March 2015 and 30 September 2015, the Group had no significant contingent liabilities.

## **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 costs 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 Group's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2015, the Group employed 78 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 granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

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



## **CORPORATE GOVERNANCE & PRACTICES**

The Company acknowledges the importance of good corporate governance practices and procedures and regards a pre-eminent board of Directors (the “**Board**”), sound internal controls and accountability to all shareholders of the Company as the core elements of its corporate governance principles. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards. The Company has adopted the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 to the Listing Rules.

The Board periodically reviews the corporate governance practices of the Company to ensure its continuous compliance with the Code. Save as disclosed in this announcement, the Company was in compliance with the Code during 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 Non-executive 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 statute 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 written terms of reference include the authority and duties of the Audit Committee and amongst its principal duties are the review and supervision of the Company's financial reporting process and internal control procedures. Regarding the financial reporting process, the Audit Committee would consider any significant items reflected in the reports and accounts.

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

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim results of the Group for the Reporting Period is available for viewing on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at <http://www.sinoprospers.com>. An interim 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, 19 November 2015

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