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 2016

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 2016 (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 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	3	**37,892**	55,957
Cost of sales		**(4,787)**	(3,903)
Gross profit		**33,105**	52,054
Other income and gains	5	**4,126**	1,692
General and administrative expenses		**(41,212)**	(39,037)
Impairment loss of exploration and evaluation assets	12	**–**	(547,839)
Impairment loss of goodwill	13	**(171,806)**	–
Loss on early redemption of promissory notes	18	**(3,025)**	(7,273)
Finance costs	6	**(15,760)**	(19,747)
Loss before tax		**(194,572)**	(560,150)
Income tax expense	7	**(3,246)**	(3,288)
Loss for the year	8	**(197,818)**	(563,438)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(71,632)**	9,607
Other comprehensive (expense)/income for the year, net of income tax		**(71,632)**	9,607
Total comprehensive expense for the year		**(269,450)**	(553,831)
Loss attributable to:			
Owners of the Company		**(194,039)**	(514,793)
Non-controlling interests		**(3,779)**	(48,645)
		(197,818)	(563,438)
Total comprehensive expense attributable to:			
Owners of the Company		**(262,694)**	(505,705)
Non-controlling interests		**(6,756)**	(48,126)
		(269,450)	(553,831)
Loss per share	10		
Basic and diluted (HK cents per share)		**(17.77)**	(57.66)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**83,572**	95,496
Other intangible assets	11	**131,912**	139,653
Exploration and evaluation assets	12	**443,892**	466,949
Goodwill	13	**473,738**	679,075
		1,133,114	1,381,173
Current assets			
Inventories		**5,806**	7,453
Loans receivables	14	**134,815**	199,416
Trade and other receivables	15	**4,776**	4,737
Bank balances and cash		**123,182**	74,722
		268,579	286,328
Current liabilities			
Trade and other payables	16	**16,563**	18,195
Amount due to a non-controlling interest of a subsidiary		**8,953**	9,418
Amounts due to related parties		**5,219**	4,995
Tax payable		**4,707**	3,390
		35,442	35,998
Net current assets		**233,137**	250,330
Total assets less current liabilities		**1,366,251**	1,631,503
Non-current liabilities			
Convertible bonds	17	**89,129**	100,809
Promissory notes	18	**–**	6,529
Provision for restoration costs		**382**	401
Deferred tax liabilities		**42,745**	50,538
		132,256	158,277
Net assets		**1,233,995**	1,473,226
Capital and reserves			
Share capital	19	**11,311**	10,046
Reserves		**1,170,063**	1,403,803
Equity attributable to owners of the Company		**1,181,374**	1,413,849
Non-controlling interests		**52,621**	59,377
Total equity		**1,233,995**	1,473,226

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 "**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 HKFRSs	*Annual Improvements to HKFRSs 2010 – 2012 Cycle*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011 – 2013 Cycle*
Amendments to HKAS 19 (2011)	*Defined Benefit Plans: Employee Contributions*

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

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:

Amendments to HKFRSs	*Annual Improvements to HKFRSs 2012 – 2014 Cycle*[1]
HKFRS 9 (2014)	*Financial Instruments*[3]
HKFRS 14	*Regulatory Deferral Accounts*[2]
HKFRS 15	*Revenue from Contracts with Customers*[3]
HKFRS 16	*Leases*[4]
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*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
Amendments to HKAS 1	*Disclosure initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27	*Equity Method in Separate Financial Statements*[1]

[1] Effective for annual periods beginning on or after 1 January 2016, 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 2018, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[5] Effective for annual periods beginning on or after a date to be determined.

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 as below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised 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 amortised 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally 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 recognised 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 attributable to a financial liability's 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 is 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 recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, 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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until the Group performs a detailed review.

HKFRS 15 Revenue from Contracts with Customers

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 recognise 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: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises 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 of the Company 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.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these financial statements. The directors of the Company anticipate that the application of HKFRS 16 in the future will have a material impact on the Group's consolidated financial statements; however, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKFRS 10 and HKAS 28 (2011) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

Except as described above, the directors of the Company do not anticipate that the application of the other new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. REVENUE

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

	2016	2015
	HK$'000	*HK$'000*
Revenue from sales of silver concentrates	**198**	84
Revenue from sales of bronze concentrates	**101**	36
Revenue from sales of gold	**2,872**	2,740
Interest income from loan financing activities	**18,132**	18,149
Consultancy services income	**16,589**	34,948
	37,892	55,957

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, 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	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Revenue from external customers	**3,171**	2,860	**34,721**	53,097	**37,892**	55,957
Segment (loss)/profit	**(8,348)**	(559,832)	**(145,903)**	44,862	**(154,251)**	(514,970)
Interest on bank deposits, other income and gains					**4,126**	1,692
Loss on early redemption of promissory notes					**(3,025)**	(7,273)
Finance costs					**(15,760)**	(19,747)
Central administration costs					**(25,662)**	(19,852)
Loss before tax					**(194,572)**	(560,150)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015: Nil).

Segment (loss)/profit represents the (loss)/profit incurred by each segment without allocation of interest on bank deposits, other income and gains, 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	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**758,230**	807,320	**618,858**	832,504	**1,377,088**	1,639,824
Corporate and unallocated assets					**24,605**	27,677
Consolidated assets					**1,401,693**	1,667,501
Segment liabilities	**48,825**	53,396	**3,327**	2,578	**52,152**	55,974
Corporate and unallocated liabilities					**115,546**	138,301
Consolidated liabilities					**167,698**	194,275

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	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment profit or loss:						
Depreciation	**6,861**	7,185	**334**	419	**7,195**	7,604
Unallocated depreciation					**194**	291
					7,389	7,895
Amortization of other intangible assets	**826**	1,360	**32**	33	**858**	1,393
Impairment loss of inventories	**–**	367	**–**	–	**–**	367
Impairment loss of trade receivables	**–**	–	**1,072**	–	**1,072**	–
Impairment loss of exploration and evaluation assets	**–**	547,839	**–**	–	**–**	547,839
Impairment loss of goodwill	**–**	–	**171,806**	–	**171,806**	–
Additions to non-current assets	**16**	553	**31**	110	**47**	663
Unallocated					**–**	29
Total additions to non-current assets					**47**	692

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	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	661	**82**	274
PRC	**37,892**	55,296	**1,133,032**	1,380,899
	37,892	55,957	**1,133,114**	1,381,173

Information about major customers

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

	2016	2015
	HK$'000	*HK$'000*
Customer A	**N/A**[1]	14,005
Customer B	**10,933**	8,874
Customer C	**4,583**	N/A[1]
	15,516	22,879

1 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

For the year ended 31 March 2016, there were two (2015: two) customers with revenue which accounted for more than 10% of the total revenue related to Money lending segment.

5. OTHER INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
Interest income on bank deposits	**837**	653
Net foreign exchange gains	**–**	653
Sundry income	**3,289**	386
	4,126	1,692

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Effective interest on convertible bonds	**15,314**	17,920
Effective interest on promissory notes	**446**	1,827
	15,760	19,747

No interest was capitalized during the year ended 31 March 2016 (2015: Nil).

7. INCOME TAX EXPENSE

Income tax recognized in profit or loss

	2016	2015
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**4,928**	4,892
Overprovision in prior years		
Hong Kong Profits Tax	**–**	(11)
Deferred tax	**(1,682)**	(1,593)
Total income tax expense recognized in profit or loss	**3,246**	3,288

Hong Kong Profits Tax is calculated at 16.5% (2015: 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 were subject to PRC Enterprise Income Tax at the effective rate, ranging from 2.5% to 3.75% (2015: ranging from 2.5% to 3%) on revenue for the year ended 31 March 2016.

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Directors' and chief executive's emoluments	**7,792**	9,249
Employee benefits expense (excluding directors' and chief executive's emoluments) *(Note (i))*		
– Salaries and other benefits in kind	**7,081**	11,138
– Contributions to retirement benefits schemes	**452**	500
Total staff costs	**15,325**	20,887
Auditors' remuneration	**1,460**	1,410
Amortization of other intangible assets included in general and administrative expenses	**858**	1,393
Cost of inventories recognized as expense	**4,612**	3,903
Depreciation of property, plant and equipment *(Note (ii))*	**7,389**	7,895
Impairment loss of inventories included in general and administrative expenses	**–**	367
Impairment loss of trade receivables included in general and administrative expenses	**1,072**	–
Loss on disposal of property, plant and equipment – net	**–**	24
Minimum lease payments paid under operating leases in respect of land and buildings	**1,407**	1,338
Net foreign exchange losses	**7,388**	–

Notes:

(i) Employee benefits expense of approximately HK$687,000 were capitalized in inventories for the year ended 31 March 2016 (2015: HK$2,200,000).

(ii) Depreciation of property, plant and equipment of approximately HK$2,000,000 was capitalized in inventories for the year ended 31 March 2016 (2015: HK$2,106,000).

9. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2016 (2015: 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:

	2016	2015
	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	**(194,039)**	(514,793)

Number of shares

	2016	2015
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,091,686**	892,807

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 and convertible bonds 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 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
Effect of foreign currency exchange differences	(7,639)	(31)	(7,670)
Balance at 31 March 2016	**147,063**	**595**	**147,658**

	Mining rights	License	Total
	HK$'000	*HK$'000*	*HK$'000*
Accumulated amortization			
Balance at 1 April 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
Charged for the year	826	32	858
Effect of foreign currency exchange differences	(784)	(3)	(787)
Balance at 31 March 2016	**15,669**	**77**	**15,746**
Carrying amounts			
Balance at 31 March 2016	**131,394**	**518**	**131,912**
Balance at 31 March 2015	139,075	578	139,653

12. EXPLORATION AND EVALUATION ASSETS

	HK$'000
Cost	
Balance at 1 April 2014	1,173,540
Additions	316
Effect of foreign currency exchange differences	5,745
Balance at 31 March 2015	1,179,601
Effect of foreign currency exchange differences	(58,246)
Balance at 31 March 2016	**1,121,355**

	HK$'000
Accumulated impairment losses	
Balance at 1 April 2014	164,010
Impairment loss recognized	547,839
Effect of foreign currency exchange differences	803
Balance at 31 March 2015	712,652
Effect of foreign currency exchange differences	(35,189)
Balance at 31 March 2016	**677,463**
Carrying amounts	
Balance at 31 March 2016	**443,892**
Balance at 31 March 2015	466,949

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.

The Group through its non-wholly owned subsidiary, 黑龍江中誼偉業經貿有限公司 (transliterated as Heilongjiang Zhongyi Weiye Economic & Trade Co., Ltd.) ("HZW"), holds certain exploration permits of the mines (Paoshouying Mine and Dumuhe Mine) located at Hulin City, Heilongjiang Province, the PRC. The exploration permits relating to Paoshouying Mine and Dumuhe Mine, with license period of 2 years at date of issue, expired in April 2015. During the year ended 31 March 2016, HZW has submitted applications to Ministry of Land and Resources of the People's Republic of China (中華人民共和國國土資源部) ("MLR") for the renewals of the exploration permits relating to the above mines. As at the date of this announcement, the applications for the renewals of such permits have not yet been approved by the MLR and the outcomes of the applications for renewals of these exploration permits are uncertain. If the applications for the renewals of the permits are not successful, the Group may suffer a significant amount of impairment loss on its exploration and evaluation assets, which may have a significant adverse effect on the consolidated financial statements of the Group.

At the end of the reporting period, the Group has reassessed the projected cash flow relating to the value in use with reference to valuation performed by an independent professional valuer and conducted an impairment review on the exploration and evaluation assets.

For the purpose of impairment testing, the exploration and evaluation assets (including Paoshouying Mine and Dumuhe Mine) have been allocated to the CGU of Heilongjiang mines exploration.

The recoverable amount of the Heilongjiang mines exploration CGU has been determined based on value in use calculation. That calculation uses cash flow projections based on most recent financial budgets after taking into account the operation environment and market conditions at that point of time approved by the management covering a five-year period with pre-tax discount rate of 34.57% (2015: 33.40%). The cash flows beyond the five year period are extrapolated using zero growth rate. The directors of the Company consider that this assumption is applicable as after obtaining opinion from its legal counsel, the Group will be entitled to renew its exploration permits at minimal cost. In performing impairment testing, the directors of the Company have made reference to valuation performed by an independent professional valuer.

The directors of the Company are of the opinion that based on the value in use assessment, there was no impairment on the exploration and evaluation assets and no impairment loss is recognized for the year ended 31 March 2016 (2015: impairment loss of approximately HK$547,839,000 has been recognized to the consolidated statement of profit or loss and other comprehensive income).

13. GOODWILL

	HK$'000
Cost	
Balance at 1 April 2014	675,767
Effect of foreign currency exchange differences	3,308
Balance at 31 March 2015	679,075
Effect of foreign currency exchange differences	(33,531)
Balance at 31 March 2016	**645,544**
Accumulated impairment losses	
Balance at 1 April 2014 and 31 March 2015	–
Impairment loss recognized	171,806
Balance at 31 March 2016	**171,806**
Carrying amounts	
Balance at 31 March 2016	**473,738**
Balance at 31 March 2015	679,075

14. LOANS RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Loans receivables from Money lending operations	**134,815**	199,416

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 20% (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:

	2016	2015
	HK$'000	*HK$'000*
To be matured:		
Within 1 month	**12,021**	45,397
3 months or less but over 1 month	**–**	38,821
6 months or less but over 3 months	**67,317**	58,168
9 months or less but over 6 months	**6,011**	–
Neither past due nor impaired	**85,349**	142,386
Matured:		
Less than 1 month	**1,000**	1,075
Less than 3 months but over 1 month	**1,599**	2,150
Less than 6 months but over 3 months	**1,585**	3,224
Less than 1 year but over 6 months	**2,642**	50,581
Over 1 year	**42,640**	–
	134,815	199,416

15. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**1,553**	1,193
Less: allowance for doubtful debts	**(1,072)**	–
	481	1,193
Prepayments	**457**	675
Deposits	**2,012**	2,454
Other receivables	**1,826**	415
	4,776	4,737

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:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**240**	47
31 – 60 days	**241**	–
91 – 180 days	**–**	1,146
	481	1,193

Movement in the allowance for doubtful debts

	2016	2015
	HK$'000	*HK$'000*
At beginning of reporting period	**–**	–
Impairment loss recognized on trade receivables	**1,072**	–
At end of reporting period	**1,072**	–

16. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**108**	179
Accrued expenses and other payables	**6,257**	8,017
Deposit received for construction in mining sites	**1**	1
Payables for acquisition of property, plant and equipment and exploration of mines	**699**	790
PRC business tax and other levies payable	**9,498**	9,208
	16,563	18,195

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

	2016	2015
	HK$'000	*HK$'000*
91 – 180 days	**6**	179
Over 180 days	**102**	–
	108	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 2014	82,889
Effective interest expense charged	17,920
Balance at 31 March 2015	100,809
Effective interest expense charged	15,314
Arising from conversion of convertible bonds	(26,994)
Balance at 31 March 2016	**89,129**

18. PROMISSORY NOTES

During the year ended 31 March 2016, the Company early redeemed the remaining outstanding promissory notes with principal amount of HK$10,000,000 (2015: HK$20,000,000) and incurred loss on early redemption of promissory notes of approximately HK$3,025,000 (2015: HK$7,273,000) and has been recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016.

19. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Authorized:		
At 1 April 2014, 31 March 2015 and 2016, ordinary shares of HK$0.01 each	**40,000,000,000**	**400,000**
Issued and fully paid:		
At 1 April 2014, ordinary shares of HK$0.01 each	844,587,497	8,446
Issue of new ordinary shares *(Note (i))*	160,000,000	1,600
At 31 March 2015, ordinary shares of HK$0.01 each	1,004,587,497	10,046
Conversion of convertible bonds *(Note (ii))*	126,500,000	1,265
At 31 March 2016, ordinary shares of HK$0.01 each	**1,131,087,497**	**11,311**

Notes:

(i) On 8 December 2014, Mr. Leung Ngai Man, being the chairman, an executive director and substantial shareholder of the Company ("**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.

(ii) During the year ended 31 March 2016, 126,500,000 ordinary shares of HK$0.01 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.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's audited financial statements for the year ended 31 March 2016. The report includes an emphasis of matter, without qualification.

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 17* to the consolidated financial statements which describes the uncertainty relating to the outcomes of the applications for renewals of the exploration permits in Heilongjiang Province, the People's Republic of China."

* *Being Note 12 in this announcement*

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL REVIEW

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

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, 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. On 5 November 2015, the Company completed the renewal of its Safe Production Permit, with validity extended to 4 November 2018.

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

The exploration rights of the two mines, namely Paoshouying Mine and Dumuhe Mine, expired on 16 April 2015 and are undergoing renewal process, pending final approval. During the Reporting Period, the Company mainly conducted research on and collate the achievements of preliminary exploration of mines.

Micro-Financing Business in Jilin City, PRC

In light of the uncertainties surrounding the macroeconomic environments in both the PRC and around the world, small and medium size enterprises, which form the majority of our customer base, have been facing pressure from slower economic growth. The Company will monitor the market changes closely and may finetune its strategy for lending business as and when appropriate.

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. On 25 January 2016, among the eight state-owned enterprises, i.e. the Customers, those with the best quality of assets voluntarily extended the scope of the guarantee from four state-owned enterprises to all of the eight state-owned enterprises, thereby increasing the debt servicing ability of the state-owned enterprises with smaller asset value among the Customers. On 29 January 2016, the Customers had repaid RMB12 million to Ruixin Microfinance, and the Group expects to recover the remaining principal and interest in the third quarter of 2016.

Outlook

The Company will continue to proactively seek investment opportunities with a view to bringing higher returns to shareholders of the Company. While pursuing continued growth in its future business, the Group will from time to time review the business of its project companies and make appropriate adjustments, including further increasing or decreasing the relevant investments, to ensure that the Group can cope with the external challenges arising from unstable economic prospects.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded total turnover of approximately HK$37,892,000 (year ended 31 March 2015 ("**FY2015**"): HK$55,957,000) which mainly comprises a turnover of (i) approximately HK$2,872,000 from the sales of gold (FY2015: HK$2,740,000); (ii) approximately HK$198,000 from the sales of silver concentrates (FY2015: HK$84,000); (iii) approximately HK$101,000 from the sales of bronze concentrates (FY2015: HK$36,000); (iv) approximately HK$18,132,000 representing interest income from loan financing activities (FY2015: HK$18,149,000); and (v) approximately HK$16,589,000 representing consultancy services income (FY2015: HK$34,948,000). The Group's total turnover decreased by approximately 32.3% as compared to last financial year. Such decrease was mainly attributable to the decrease in the consultancy service income as a result of the decline in the micro-financing business of the Group during the Reporting Period.

During the Reporting Period, the Group's net loss attributable to owners of the Company was approximately HK$194,039,000 (FY2015: approximately HK$514,793,000). The decrease in the Group's net loss attributable to owners of the Company was mainly due to no impairment loss of exploration and evaluation assets.

As at 31 March 2016, the Group's total assets was approximately HK$1,401,693,000 (as at 31 March 2015: approximately HK$1,667,501,000), and the total liabilities was approximately HK$167,698,000 (as at 31 March 2015: approximately HK$194,275,000). The Group's net asset value as at 31 March 2016 decreased by 16.2% to approximately HK$1,233,995,000 as compared to approximately HK$1,473,226,000 as at 31 March 2015.

During the Reporting Period, an impairment loss in the Group's goodwill of approximately HK$172 million was recognized. The impairment loss is less than that of last year as there was no impairment loss of exploration and evaluation assets during the Reporting Period (2015: HK$547,839,000). The Board wishes to emphasize that the impairment loss is a non-cash item which will not have any impact on the cash flow of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 March 2016, the Group had bank balances and cash of approximately HK$123,182,000 (as at 31 March 2015: approximately HK$74,722,000). As at 31 March 2016, the Group had carrying amounts of convertible bonds and promissory notes amounted to HK$89,129,000 and Nil respectively. Its gearing ratio calculated as a ratio of net debt (representing borrowings less bank balances and cash) to total equity was zero (as at 31 March 2015: 2.21%). As at 31 March 2016, net current assets of the Group totaled approximately HK$233,137,000 (as at 31 March 2015: approximately HK$250,330,000) and the current ratio was maintained at a level of approximately 7.6 (as at 31 March 2015: approximately 8).

On 24 July 2015, 126,500,000 ordinary shares were issued upon the conversion of the tranche 1 of the HK$450 million zero coupon convertible bonds due on the 5th anniversary of 11 October 2013 issued by the Company to the extent of HK$46,805,000 at a conversion price of HK$0.37 per share.

TREASURY POLICIES

As at 31 March 2016, the Group had bank balances and cash of approximately HK$123,182,000 (as at 31 March 2015: 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 31 March 2016, the Group had loans receivables of approximately HK$134,815,000 (as at 31 March 2015: HK$199,416,000). 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 2016 and 31 March 2015, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2016 and 2015, the Group had no significant capital commitments.

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 2016, the Group employed 58 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.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "**AGM**") is scheduled to be held on Thursday, 20 October 2016. For the purpose of determining the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 17 October 2016 to Thursday, 20 October 2016, both days inclusive, during which period no transfer of shares will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 14 October 2016.

DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 31 March 2016 (2015: 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 (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.

In essence, the Board supports the principles-based approach of the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Listing Rules and periodically reviews the corporate governance practices of the Group to meet rising expectations of the Shareholders and comply with the increasingly stringent regulatory requirements. The Board is of the opinion that the Group has applied and adopted the principles and strives to implement the best practices embodies in the Code where feasible and as far as practicable. Throughout the Reporting Period, the Group complied with the code provisions of the Code, except for the deviations set out below.

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 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 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 reporting system and supervising of the risk management and internal control systems. 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, 28 June 2016

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.