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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)

### **INSIDE INFORMATION – CESSATION OF BUSINESS OF A SUBSIDIARY: SP SECURITIES LIMITED**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders that SP Securities, an indirect wholly-owned subsidiary of the Company, is intended to cease its business in securities dealings, advising on securities, and brokerage services with effect from 1 November 2018. SP Securities will commence notifying its clients of the cessation of business and will return to them the funds and assets held or managed on their behalf. In accordance with the SFO, SP Securities will also notify the SFC and request the revocation of its licenses to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

As at the date of this announcement and based on the information currently available to the Board, the Board believes that the cessation of the business of SP Securities will not have any material effect on the operation of the Group.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

This announcement is made by Company pursuant to Rule 13.09 of the Listing Rules and the provisions under Part XIVA of the SFO.

The Group is principally engaged in investment in energy and natural resources (including precious metals) related projects, provision of loan financing and investment and management consultation services in the PRC and provision of advising on securities and securities dealing and brokerage services in Hong Kong. The Company engaged in securities dealings, advising on securities business and brokerage services (the “**Financial Services Segment**”) through its indirect wholly-owned subsidiary, SP Securities, a company licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. For the year ended 31 March 2018, the revenue from the Financial Services Segment was approximately HK\$0.3 million (year ended 31 March 2017: approximately HK\$2.3 million), it accounted for approximately 1.0% (year ended 31 March 2017: approximately 8.4%) of the Group’s revenue for the year ended 31 March 2018. The segment loss of the Financial Services Segment was approximately HK\$19.7 million (year ended 31 March 2017: approximately HK\$1.9 million) during the year ended 31 March 2018.

Reference is made to the Company’s 2018 annual report dated 28 June 2018, in which it was mentioned that, among other things, for the year ended 31 March 2018, the management has made an impairment loss of approximately HK\$14.9 million on the goodwill associated with the financial services business of SP Securities. For the year ended 31 March 2018, mainly due to the loss of staff in advisory team and the loss of customer, revenue of SP Securities has been significantly declined by approximately 86.9% to approximately HK\$304,000.

Given the loss of staff in advisory team and consequential loss of clientele, significant drop in its business and revenue and the continuing increase in the segmental loss of the Financial Services Segment, the Board has decided to cease the business of SP Securities and wishes to inform the Shareholders that the cessation of the business of SP Securities in securities dealings, advising on securities and brokerage services is intended to take effect as from 1 November 2018.

In connection with the cessation of business of SP Securities, steps will be taken to notify the SFC and request the revocation of its licenses to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO as soon as reasonably practicable and in any event not later than seven (7) business days before the Cessation Date as required by section 135(1) of the SFO.

SP Securities will commence to notify its clients of the cessation of business and will return to them the funds and assets held or managed on their behalf in due course, and terminate all relevant existing contracts between SP Securities and its clients in accordance with the relevant provisions of such contracts.

The total amount of other expenses to be incurred in connection with the cessation of business of SP Securities will be assessed, and the relevant information will be included in audited financial statements of SP Securities which will be submitted to the SFC within four (4) months after the Cessation Date.

As at the date of this announcement and based on the information currently available to the Board, the Board believes that the cessation of the business of SP Securities will not have any material effect on the operation of the Group. The Company will continue to evaluate the impact of the cessation of business of SP Securities.

In light of the above and the cessation of the Financial Services Segment will enable the Group to better utilise its resources to the Group's current business, potential new business and other usage as the Board may consider as appropriate, the Board believes that the cessation of business of SP Securities is in the best interest of the Company and the Shareholders as a whole.

The Company will keep the Shareholders and potential investors of the Company informed of any material developments in connection with the above by way of further announcement(s) as and when appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Cessation Date”	the date of cessation of the business of SP Securities, which is intended to be 1 November 2018
“Company”	Sino Prosper (Group) Holdings Limited 中盈(集團)控股有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended or revised from time to time

“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SP Securities”	SP Securities Limited 中盈證券有限公司, a company incorporated under the Laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, which is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Share(s)”	the share(s) of HK\$0.01 (each) in the capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board  
**Sino Proper (Group) Holdings Limited**  
**Leung Ngai Man**  
*Chairman and Executive Director*

Hong Kong, 15 October 2018

*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 Mr. Miao Yanan, Mr. Cai Wei Lun and Mr. Zhang Qingkui.*