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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 2014**

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 2014 (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

		Six months ended	
		30 September	
		2014	2013
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	26,445	27,187
Cost of sales		<u>–</u>	<u>(24,253)</u>
Gross profit		26,445	2,934
Other income and gains	5	867	10,432
General and administrative expenses		(17,161)	(42,588)
Finance costs	6	(5,990)	–
Profit/(loss) before tax		4,161	(29,222)
Income tax (expense)/credit	7	(2,226)	746
Profit/(loss) for the period	8	1,935	(28,476)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		3,943	26,681
Other comprehensive income for the period, net of income tax		3,943	26,681
Total comprehensive income/(expense) for the period		5,878	(1,795)
Profit/(loss) attributable to:			
Owners of the Company		3,596	(26,334)
Non-controlling interests		(1,661)	(2,142)
		1,935	(28,476)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		7,306	(2,137)
Non-controlling interests		(1,428)	342
		5,878	(1,795)
Earnings/(loss) per share	<i>10</i>		
Basic (HK cents per share)		0.43	(3.38)
Diluted (HK cents per share)		0.42	(3.38)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	At 30 September 2014 (Unaudited) <i>HK\$'000</i>	At 31 March 2014 (Audited) <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		101,005	102,719
Other intangible assets		140,429	140,364
Exploration and evaluation assets		1,011,936	1,009,530
Goodwill		677,223	675,767
		1,930,593	1,928,380
Current assets			
Inventories		6,545	4,602
Loans receivables	11	212,521	134,347
Trade and other receivables	12	19,107	17,931
Bank balances and cash		22,785	93,193
		260,958	250,073
Current liabilities			
Other payables and accruals	13	19,706	19,603
Amount due to a non-controlling interest of a subsidiary		11,230	9,372
Tax payable		2,372	2,138
		33,308	31,113
Net current assets		227,650	218,960
Total assets less current liabilities		2,158,243	2,147,340
Non-current liabilities			
Convertible bonds		87,801	82,889
Promissory notes		18,507	17,429
Provision for restoration costs		401	400
Deferred tax liabilities		51,912	52,878
		158,621	153,596
Net assets		1,999,622	1,993,744
Capital and reserves			
Share capital		8,446	8,446
Reserves		1,885,101	1,877,795
		1,893,547	1,886,241
Equity attributable to owners of the Company		1,893,547	1,886,241
Non-controlling interests		106,075	107,503
Total equity		1,999,622	1,993,744

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 2014, 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 2014 except for the adoption of the new and revised HKFRSs, amendments and interpretations 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 and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2014:

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

The Directors anticipate that the application of the amendments or interpretations 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 2013 is as follows:

	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Revenue from sales of gold concentrates	–	5,423
Revenue from sales of gold	–	20,344
Interest income from loan financing activities	8,062	1,420
Consultancy services income	18,383	–
	<hr/>	<hr/>
	26,445	27,187
	<hr/> <hr/>	<hr/> <hr/>

4. SEGMENT INFORMATION

Information reported to the Board, being the chief operating decision maker (“**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 2013 and total assets and total liabilities as at 30 September 2014 and 31 March 2014 for the Group’s business segments.

	Investment in energy and natural resources (including precious metals) related projects HK\$'000	Money lending HK\$'000	Total HK\$'000
Six months ended 30 September 2014 (Unaudited)			
Segment revenue	<u>–</u>	<u>26,445</u>	<u>26,445</u>
Segment (loss)/profit	<u>(3,016)</u>	<u>20,893</u>	<u>17,877</u>
Interests on bank deposits, other income and gains			<u>867</u>
Finance costs			<u>(5,990)</u>
Central administration costs			<u>(8,593)</u>
Profit before tax			<u><u>4,161</u></u>
Six months ended 30 September 2013 (Unaudited)			
Segment revenue	<u>25,767</u>	<u>1,420</u>	<u>27,187</u>
Segment (loss)/profit	<u>(6,806)</u>	<u>1,399</u>	<u>(5,407)</u>
Interests on bank deposits, other income and gains			<u>10,432</u>
Central administration costs			<u>(34,247)</u>
Loss before tax			<u><u>(29,222)</u></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 2013: 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.

	Investment in energy and natural resources (including precious metals) related projects HK\$'000	Money lending HK\$'000	Total HK\$'000
As at 30 September 2014 (Unaudited)			
Segment assets	<u>1,357,297</u>	<u>810,544</u>	2,167,841
Corporate and unallocated assets			<u>23,710</u>
Consolidated assets			<u>2,191,551</u>
Segment liabilities	<u>54,285</u>	<u>2,497</u>	56,782
Corporate and unallocated liabilities			<u>135,147</u>
Consolidated liabilities			<u>191,929</u>
As at 31 March 2014 (Audited)			
Segment assets	<u>1,354,131</u>	<u>747,739</u>	2,101,870
Corporate and unallocated assets			<u>76,583</u>
Consolidated assets			<u>2,178,453</u>
Segment liabilities	<u>48,556</u>	<u>3,747</u>	52,303
Corporate and unallocated liabilities			<u>132,406</u>
Consolidated liabilities			<u>184,709</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

	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income on bank deposits	420	2,094
Net foreign exchange gains	369	4,688
Sundry income	78	3,650
	<u>867</u>	<u>10,432</u>

6. FINANCE COSTS

	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Effective interest on convertible bonds	4,912	–
Effective interest on promissory notes	1,078	–
	<u>5,990</u>	<u>–</u>

7. INCOME TAX EXPENSE/(CREDIT)

Income tax recognized in profit or loss

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong Profits Tax	97	–
The People's Republic of China (“PRC”) Enterprise Income Tax	2,266	271
Deferred tax	(137)	(1,017)
	<hr/>	<hr/>
Total income tax expense/(credit) recognized in profit or loss	2,226	(746)

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2013: 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 2013. 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 of 2.5% on revenue for the Reporting Period.

8. PROFIT/(LOSS) FOR THE PERIOD

	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period has been arrived at after charging:		
Directors' emoluments (<i>Note (iii)</i>)	4,760	6,369
Employee benefits expense (excluding directors' emoluments):		
– Salaries and other benefits (<i>Note (i)</i>)	5,022	6,199
– Contributions to retirement benefits schemes (<i>Note (i)</i>)	241	422
– Equity-settled share-based payments (<i>Note (iii)</i>)	–	1,163
	<u>10,023</u>	<u>14,153</u>
Total staff costs		
Auditors' remuneration	690	590
Amortization of other intangible assets included in general and administrative expenses	237	4,069
Cost of inventories recognized as expense	–	24,253
Depreciation of property, plant and equipment (<i>Note (ii)</i>)	1,548	2,376
Loss on disposal of property, plant and equipment	458	101
Expenses in relation to share options granted to consultants (<i>Note (iii)</i>)	–	7,979
Minimum lease payments paid under operating leases in respect of:		
– Land and buildings	687	1,603
– Equipment	14	18

Notes:

- (i) Amount excluded expenses capitalized in construction in progress of approximately HK\$15,000 for the Reporting Period (six months ended 30 September 2013: HK\$27,000). Salaries and other benefits of approximately HK\$978,000 were capitalized in inventories for the Reporting Period (six months ended 30 September 2013: HK\$1,464,000).
- (ii) No depreciation was capitalized in construction in progress for the Reporting Period (six months ended 30 September 2013: approximately HK\$655,000). Depreciation of property, plant and equipment of approximately HK\$310,000 was capitalized in inventories for the Reporting Period (six months ended 30 September 2013: HK\$1,666,000).
- (iii) During the six months ended 30 September 2013, the Company has granted 60,200,000 share options of the Company to eligible persons (including directors, employees and consultants of the Company) under the new share option scheme of the Company adopted on 20 April 2012.

9. INTERIM DIVIDEND

The Directors resolved not to declare the payment of any interim dividend for the Reporting Period (six months ended 30 September 2013: nil).

10. EARNINGS/(LOSS) PER SHARE

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

	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings/(loss)		
Earnings/(loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings/(loss) per share	<u>3,596</u>	<u>(26,334)</u>
Number of shares		
	Six months ended	
	30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	844,587	779,104
Effect of dilutive potential ordinary shares:		
Share options	<u>3,522</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) share	<u>848,109</u>	<u>779,104</u>

The computation of diluted earnings per share for the Reporting Period 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.

The computation of diluted loss per share for the six months ended 30 September 2013 did not assume the exercise of the Company's potential ordinary shares granted under the Company's share option schemes and outstanding warrants since their exercise would have an anti-dilutive effect.

11. LOANS RECEIVABLES

	At 30 September 2014 (Unaudited) <i>HK\$'000</i>	At 31 March 2014 (Audited) <i>HK\$'000</i>
Loans receivables from Money lending operations	<u>212,521</u>	<u>134,347</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. As at 30 September 2014, loans receivables are charging on effective interest rate mutually agreed with the contracting parties at 12% per annum (at 31 March 2014: ranging from 12% to 36% per annum).

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

	At 30 September 2014 (Unaudited) <i>HK\$'000</i>	At 31 March 2014 (Audited) <i>HK\$'000</i>
Within 1 month	–	69,965
3 months or less but over 1 month	212,521	20,135
6 months or less but over 3 months	–	44,247
1 year or less but over 6 months	–	–
	<u>212,521</u>	<u>134,347</u>

12. TRADE AND OTHER RECEIVABLES

	At 30 September 2014 (Unaudited) <i>HK\$'000</i>	At 31 March 2014 (Audited) <i>HK\$'000</i>
Trade receivables	3,747	2,663
Prepayments	707	689
Deposits	14,498	14,339
Other receivables	155	240
	<u>19,107</u>	<u>17,931</u>
Total trade and other receivables	<u>19,107</u>	<u>17,931</u>

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 2014 (Unaudited) HK\$'000	At 31 March 2014 (Audited) HK\$'000
0 – 30 days	1,057	1,811
31 – 60 days	1,029	607
61 – 90 days	1,019	245
91 – 120 days	642	–
	3,747	2,663

13. OTHER PAYABLES AND ACCRUALS

	At 30 September 2014 (Unaudited) HK\$'000	At 31 March 2014 (Audited) HK\$'000
Accrued expenses and other payables	9,366	8,738
Deposit received for construction in mining sites	27	26
Payables for acquisition of property, plant and equipment and exploration of mines	1,247	1,400
PRC business tax and other levies payable	9,058	8,909
Receipt in advance	8	530
	19,706	19,603

OPERATIONAL REVIEW

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

Current Operations

Micro-Financing Business and Investment and Management Consultation Services

The Group completed the acquisition of the micro-financing business and investment and management consultation services in the PRC in 2013. As disclosed in the Company's announcement dated 29 January 2014, on 29 January 2014, Mr. Leung Ngai Man (being a substantial shareholder, an executive Director and the chairman of the Company) (the "**Vendor**") executed a deed of waiver in favour of Favour South Limited (being a wholly-owned subsidiary of the Company) (the "**Purchaser**"), pursuant to which:

- (i) the Vendor irrevocably and unconditionally waives, releases and discharges the Purchaser from the obligations to pay:
 - (a) the T3 Price (as defined in the Company's circular dated 23 September 2013 (the "**2013 Circular**")), notwithstanding (and assuming) the T3 Payment Conditions (as defined in the 2013 Circular) being satisfied;
 - (b) the T4 Price (as defined in the 2013 Circular), notwithstanding (and assuming) the T4 Payment Conditions (as defined in the 2013 Circular) being satisfied; and
- (ii) conditional upon a sum of HK\$170 million (being a portion of the aggregate principal amounts owing by the Purchaser to the Vendor under the T1 P-Note (as defined in the 2013 Circular) and the T2 P-Note (as defined in the 2013 Circular)) being paid (whether by a single payment or a series of payments) to the Vendor by or on behalf of the Purchaser on or before 28 February 2014 (the "**Partial Early Repayment**"), the Vendor irrevocably waives, releases and discharges the Purchaser from the obligations to pay the entirety of the interest (the "**P-Note Interests**") accrued and accruing on the T1 P-Note and the T2 P-Note.

The Partial Early Repayment was subsequently paid to the Vendor by the Group's internal resources within the prescribed time-limit.

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

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

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

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

Aohan Qi Mine, Inner Mongolia

Aohanqi Xinrui En Industry Co., Ltd. (敖漢旗鑫瑞恩礦業有限責任公司) ("**Aohanqi**"), an indirect non wholly-owned subsidiary of the Company has applied to relevant PRC government authorities for an increase of its total investment amount. However, up to the date of this announcement, the application is still pending approval by the aforesaid authorities, and the proposal by the foreign shareholder of Aohanqi of increasing the registered capital of Aohanqi to meet its working capital requirement has not been given consent yet by the Chinese shareholder of Aohanqi. The continuous decrease in gold price and rising exploration costs in mining has further increased the difficulty of routine production. The Aohan Qi Mine is currently in routine maintenance phase.

Zhongyi Weiye Heilongjiang Mines, Heilongjiang Province, PRC

In view of continuous decrease in gold price and rising exploration costs, the Group's management decided to, at this stage, maintain its mining right of the Aohan Qi Mine, investigate its past exploration results and postpone its exploration works in Heilongjiang.

Resignation of executive Director

As disclosed in the announcement of the Company dated 26 May 2014, Mr. Ng Kwok Chu, Winfield has resigned as an executive Director with effect from 26 May 2014 due to personal health reason.

Development from the end of the Reporting Period

Save as disclosed elsewhere in this announcement, there had been no material events affecting the Group which had occurred since the end of the Reporting Period and up to the date of this announcement.

Outlook

With the increased market demands of the micro-financing business in Jilin City, the Group recorded a profit from its micro-financing business in Jilin City, the PRC. However, in view of the significant price decreasing in current international commodity markets, uncertain prospects going forward in China's economic situation and small and medium enterprises having a difficult environment, the Group will constantly review the business of its project companies, make appropriate adjustments to related business including further increasing or decreasing the related investment and hope to bring a better return to our shareholders.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a total turnover of approximately HK\$26,445,000 (six months ended 30 September 2013: approximately HK\$27,187,000) which mainly comprised a turnover of (i) nil from the sales of gold (six months ended 30 September 2013: approximately HK\$20,344,000), (ii) nil from the sales of gold concentrates (six months ended 30 September 2013: approximately HK\$5,423,000), (iii) approximately HK\$8,062,000 from interest income from loan financing activities (six months ended 30 September 2013: approximately HK\$1,420,000), and (iv) approximately HK\$18,383,000 from consultancy services income (six months ended 30 September 2013: nil). For the Reporting Period, the total turnover of the Group decreased by approximately 2.7% as compared to the last corresponding period. Such decrease was mainly attributable to the decrease in turnover from (i) the sales of gold concentrates and (ii) the sales of gold during the Reporting Period. For the Reporting Period, the Group's profit attributable to owners of the Company was approximately HK\$3,596,000 (six months ended 30 September 2013: loss attributable to owners of the Company of approximately HK\$26,334,000) as a result of the significant improvement of contribution from its money lending business in the PRC during the Reporting Period.

As at 30 September 2014, the Group recorded total assets of approximately HK\$2,191,551,000 (as at 31 March 2014: approximately HK\$2,178,453,000), and recorded total liabilities of approximately HK\$191,929,000 (as at 31 March 2014: approximately HK\$184,709,000). The Group's net asset value as at 30 September 2014 increased by 0.29% to approximately HK\$1,999,622,000 as compared to approximately HK\$1,993,744,000 as at 31 March 2014.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2014, the Group had bank balances and cash of approximately HK\$22,785,000 (as at 31 March 2014: approximately HK\$93,193,000). As at 30 September 2014, the Group had outstanding amounts of HK\$183,530,000 for the convertible bonds (as at 31 March 2014: approximately HK\$183,530,000) and HK\$30,000,000 for the promissory notes (as at 31 March 2014: approximately HK\$30,000,000) respectively. Its gearing ratio calculated as a ratio of net debt to total equity was 4.18% (as at 31 March 2014: 0.36%). As at 30 September 2014, net current assets of the Group totaled approximately HK\$227,650,000 (as at 31 March 2014: approximately HK\$218,960,000) and the current ratio was maintained at a level of approximately 7.8 (as at 31 March 2014: approximately 8).

On 11 April 2012, an aggregate of 152,000,000 unlisted warrants of the Company were successfully placed by the Company to not less than six placees who are third parties independent of and not connected with the Company and its connected persons, at the placing price of HK\$0.01 per warrant and the subscription price of HK\$0.72 per warrant share. The subscription period for the warrants is from the date of issue of the warrants to 31 December 2014 (both dates inclusive). As at 30 September 2014, 152,000,000 unlisted warrants remain outstanding or are not yet exercised.

TREASURY POLICIES

As at 30 September 2014, the Group had cash and bank balances of approximately HK\$22,785,000 (as at 31 March 2014: approximately HK\$93,193,000), most of which were denominated in Renminbi and placed as short-term deposits. The Group has sufficient capital, and generally exercises caution when using cash and making capital commitments. As at 30 September 2014, the Group had loans receivables of approximately HK\$212,521,000 (as at 31 March 2014: approximately HK\$134,347,000). 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 2014 and 30 September 2014, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2014, the Group had the following significant commitments which were not provided for in the condensed consolidated interim financial statements:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Contracted but not provided for:		
– Exploration and evaluation expenditure	<u>950</u>	<u>948</u>

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 2014, the Group employed 96 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.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 the 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 respective website of the Stock Exchange and the Company.

Code Provision A.6.7

Pursuant to the Code Provision A.6.7, the three independent non-executive Directors should attend general meetings. However, Mr. Zhang Qingkui, an independent non-executive Director was absent from the annual general meeting of the Company held on 12 September 2014 due to his other business commitment. To ensure compliance in the future, the Company will arrange to furnish all Directors with appropriate information on all general meetings, and arrange the schedule to the extent possible that all Directors can attend the general meeting.

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 and on the website of the Company at <http://www.sinoproper.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, 26 November 2014

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