BEP INTERNATIONAL HOLDINGS LIMITED
百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 2326)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

FINAL RESULTS

The Board of Directors (the "**Board**") of BEP International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2016.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend of HK0.1 cent per share for the year ended 31 March 2016 (2015: HK0.04 cent) subject to approval of shareholders at the forthcoming annual general meeting. The proposed final dividend will be distributed on or about Friday, 4 November 2016 to shareholders whose names appear on the register of members of the Company as at the close of business on Monday, 3 October 2016.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 29 September 2016 to Monday, 3 October 2016, both days inclusive, during which no transfer of shares will be registered. The last day for dealing in the Company's shares cum-entitlement to the proposed final dividend will be Monday, 26 September 2016. In order to qualify for the entitlement to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 28 September 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	3(a)	**2,269,381**	633,957
Cost of sales		**(1,912,119)**	(574,028)
Gross profit		**357,262**	59,929
Other revenue and other net income	4	**5,156**	3,492
Selling and distribution costs		**(9,048)**	(4,390)
Administrative expenses		**(114,019)**	(30,102)
Other operating expenses		**(15,119)**	(88)
Profit from operations		**224,232**	28,841
Finance costs	5(a)	**(8,966)**	(8,798)
Profit before taxation	5	**215,266**	20,043
Income tax	6	**(46,128)**	(4,441)
Profit for the year		**169,138**	15,602
Attributable to:			
Owners of the Company		**177,716**	17,198
Non-controlling interests		**(8,578)**	(1,596)
Profit for the year		**169,138**	15,602
		HK cent	*HK cent*
Earnings per share	8		
Basic		**0.868**	0.085
Diluted		**0.844**	0.085

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**169,138**	15,602
Other comprehensive income/(expenses) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**1,479**	3
Reclassification adjustments relating to overseas subsidiaries disposed of during the year	**–**	(511)
Other comprehensive income/(expenses) for the year (net of nil tax (2015: nil))	**1,479**	(508)
Total comprehensive income for the year	**170,617**	15,094
Attributable to:		
Owners of the Company	**179,043**	16,687
Non-controlling interests	**(8,426)**	(1,593)
	170,617	15,094

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**226,713**	1,879
Prepaid land lease payments		**3,617**	–
Deposit paid for acquisition of property, plant and equipment		**31,938**	–
Other intangible asset	10	**–**	3,362
Goodwill	9	**–**	5,368
Deferred tax assets		**84**	80
Rental deposit		**697**	640
		263,049	11,329
Current assets			
Inventories		**40,815**	8,808
Prepaid land lease payments		**52**	–
Trade and bills receivables	11	**1,842,228**	305,382
Prepayments, deposits and other receivables		**77,688**	90,023
Tax recoverable		**1,331**	–
Restricted bank deposits		**1,271,880**	–
Cash and cash equivalents		**80,326**	85,348
		3,314,320	489,561
Current liabilities			
Trade and bills payables	12	**1,270,521**	21,514
Accruals, deposits and other payables		**264,837**	8,347
Bank loan		**1,199,055**	309
Bank advances for discounted bills		**458,555**	299,225
Tax payable		**44,491**	4,397
		3,237,459	333,792
Non-current liabilities			
Deferred tax liabilities		**94**	591
Net assets		**339,816**	166,507
Equity			
Equity attributable to owners of the Company			
Share capital	13	**4,111**	4,031
Reserves		**342,937**	160,123
		347,048	164,154
Non-controlling interests		**(7,232)**	2,353
Total equity		**339,816**	166,507

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA:

– Amendments to HKAS 19 Defined Benefit Plans, Employee Contributions

– Amendments to HKFRSs, Annual Improvements to HKFRSs 2010-2012 Cycle

– Amendments to HKFRSs, Annual Improvements to HKFRSs 2011-2013 Cycle

The Group has not applied any new HKFRSs that is not yet effective for the current accounting period. Except as described below, 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 the consolidated financial statements.

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the sales value of goods supplied and services rendered to customers. The amount of each significant category of revenue recognised during the year is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sourcing and sale of metal minerals and related industrial materials	**2,225,538**	606,369
Production and sale of industrial products	**37,405**	–
Sale of electrical and electronic consumer products	**4,891**	23,493
Provision of logistics services	**1,547**	4,095
Production and sale of utilities	**–**	–
	2,269,381	633,957

(b) Segment reporting

The Group manage its businesses by divisions, which are organised by business lines. During the year ended 31 March 2016, the Group has acquired 寧夏華夏環保資源綜合利用有限公司 (literally translated as Ningxia Huaxia Integrated Waste Recycling Company Limited) and 寧夏天元發電有限公司 (literally translated as Ningxia Tianyuan Power Generation Company Limited). Consequently, two new segments, production and sale of industrial products and production and sale of utilities, have been included in the segment reporting.

In a manner consistent with the way in which information is reported internally to the Group's chief executive officer (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Sourcing and sale of metal minerals and related industrial materials;

(ii) Production and sale of industrial products;

(iii) Sale of electrical and electronic consumer products;

(iv) Provision of logistics services; and

(v) Production and sale of utilities.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief executive officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include property, plant and equipment, prepaid land lease payments, deposit paid for acquisition of property, plant and equipment, other intangible asset, goodwill, inventories, trade and bills receivables, prepayments, deposits and other receivables, tax recoverable, restricted bank deposits and deferred tax assets of each segment. Segment liabilities include trade and bills payables, accruals, deposits and other payables, bank loan, bank advances for discounted bills, tax payable and deferred tax liabilities of each segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit less selling and distribution costs of each segment.

In addition to receiving segment information concerning segment profits, the chief executive officer is provided with segment information concerning revenue, depreciation, amortisation of other intangible asset and prepaid land lease payments, impairment of property, plant and equipment, goodwill, other intangible asset, trade receivables and other receivables, reversal of impairment allowance for trade receivables, finance costs, income tax expense or income and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to price charged to external parties for similar orders.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Information regarding the Group's reportable segments as provided to the Group's chief executive officer for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2016 and 2015 is set out below:

	2016					
	Sourcing and sale of metal minerals and related industrial materials	**Production and sale of industrial products**	**Sale of electrical and electronic consumer products**	**Provision of logistics services**	**Production and sale of utilities**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue	**2,225,538**	**37,405**	**4,891**	**1,547**	**–**	**2,269,381**
Reportable segment profit/(loss)	**339,960**	**13,971**	**(133)**	**(5,584)**	**–**	**348,214**
Depreciation for property, plant and equipment	**–**	**(1,532)**	**–**	**(169)**	**–**	**(1,701)**
Amortisation of						
– other intangible asset	**–**	**–**	**–**	**(420)**	**–**	**(420)**
– prepaid land lease payments	**–**	**(12)**	**–**	**–**	**–**	**(12)**
Impairment of:						
– property, plant and equipment	**–**	**–**	**–**	**(1,077)**	**–**	**(1,077)**
– goodwill	**–**	**–**	**–**	**(5,368)**	**–**	**(5,368)**
– other intangible asset	**–**	**–**	**–**	**(2,942)**	**–**	**(2,942)**
– trade receivables	**–**	**–**	**–**	**(72)**	**–**	**(72)**
– other receivables	**–**	**–**	**–**	**(5,660)**	**–**	**(5,660)**
Finance costs	**(8,959)**	**–**	**–**	**(7)**	**–**	**(8,966)**
Income tax (expense)/income	**(43,036)**	**(3,384)**	**–**	**340**	**–**	**(46,080)**
Reportable segment assets	**3,087,573**	**136,987**	**2**	**971**	**262,351**	**3,487,884**
Additions to non-current segment assets during the year	**–**	**58,196**	**–**	**7**	**203,928**	**262,131**
Reportable segment liabilities	**(2,938,394)**	**(29,647)**	**(1,158)**	**(3,772)**	**(91,970)**	**(3,064,941)**

There are no inter-segment sales during the year ended 31 March 2016.

	2015			
	Sourcing and sale of metal minerals and related industrial materials	Sale of electrical and electronic consumer products	Provision of logistics services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	606,369	23,493	4,095	633,957
Inter-segment revenue	–	–	86	86
Reportable segment revenue	606,369	23,493	4,181	634,043
Reportable segment profit/(loss)	58,247	(1,878)	(830)	55,539
Depreciation for property, plant and equipment	–	(166)	(58)	(224)
Amortisation of other intangible asset	–	–	(840)	(840)
Impairment of trade receivables	–	(88)	–	(88)
Reversal of impairment allowance for trade receivables	–	30	–	30
Finance costs	(8,595)	–	(203)	(8,798)
Income tax (expense)/income	(4,760)	(12)	508	(4,264)
Reportable segment assets	383,496	11,620	18,728	413,844
Additions to non-current segment assets during the year	–	–	10,996	10,996
Reportable segment liabilities	(316,099)	(9,416)	(6,261)	(331,776)

Reconciliation of reportable segment revenue, profit, assets, liabilities and other items

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Total reportable segment revenue	**2,269,381**	634,043
Elimination of inter-segment revenue	**–**	(86)
Consolidated revenue	**2,269,381**	633,957
Profit		
Total reportable segment profit derived from the Group's external customers	**348,214**	55,539
Other revenue and other net income	**5,156**	3,492
Depreciation of reportable segment not included in measurement of segment profit	**(169)**	(174)
Amortisation of other intangible asset	**(420)**	(840)
Amortisation of prepaid land lease payments	**(12)**	–
Impairment loss for property, plant and equipment	**(1,077)**	–
Impairment allowance for trade receivables	**(72)**	(88)
Impairment allowance for other receivables	**(5,660)**	–
Impairment loss for goodwill	**(5,368)**	–
Impairment loss for other intangible asset	**(2,942)**	–
Finance costs	**(8,966)**	(8,798)
Unallocated head office and corporate expenses		
– Depreciation of property, plant and equipment	**(315)**	(163)
– Staff costs (including directors' emoluments)	**(21,815)**	(17,762)
– Legal and professional fee	**(28,301)**	(2,406)
– Equity-settled share-based payment expenses	**(11,001)**	–
– Net foreign exchange loss	**(29,516)**	(1,761)
– Fair value loss on derivative financial instruments	**(13,601)**	–
– Others	**(8,869)**	(6,996)
Consolidated profit before taxation	**215,266**	20,043
Assets		
Total reportable segment assets	**3,487,884**	413,844
Elimination of inter-segment receivable	**–**	(19)
	3,487,884	413,825
Unallocated head office and corporate assets		
– Cash and cash equivalents	**80,326**	85,348
– Others	**9,159**	1,717
Consolidated total assets	**3,577,369**	500,890
Liabilities		
Total reportable segment liabilities	**3,064,941**	331,776
Elimination of inter-segment payable	**–**	(19)
	3,064,941	331,757
Unallocated head office and corporate liabilities		
– Consideration payable for acquisition of a subsidiary	**153,446**	–
– Others	**19,166**	2,626
Consolidated total liabilities	**3,237,553**	334,383

	2016	2015
	HK$'000	*HK$'000*
Other items		
Depreciation for property, plant and equipment		
Reportable segment total	**1,701**	224
Unallocated head office and corporate total	**315**	163
Consolidated total	**2,016**	387
Income tax expense		
Reportable segment total	**46,080**	4,264
Unallocated head office and corporate total	**48**	177
Consolidated total	**46,128**	4,441
Additions to non-current segment assets during the year		
Reportable segment total	**262,131**	10,996
Unallocated head office and corporate total	**773**	1,126
Consolidated total	**262,904**	12,122

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2016	2015
	HK$'000	*HK$'000*
Metal minerals and related industrial materials	**2,225,538**	606,369
Industrial products	**37,405**	–
Electrical and electronic consumer products	**4,891**	23,493
Logistics services	**1,547**	4,095
Utilities	**–**	–
	2,269,381	633,957

Geographic information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, prepaid land lease payments, deposit paid for acqusition of property, plant and equipment, other intangible asset, goodwill and non-current rental deposit. The geographical location of customers refers to the location at which the goods were delivered or the services were provided. The geographical locations of property, plant and equipment, prepaid land lease payments, deposit paid for acquisition of property, plant & equipment and non-current rental deposit are based on the physical location of the assets under consideration. In the case of goodwill and other intangible asset, it is based on the location of the operation to which these intangibles are allocated.

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**195,602**	14,795	**1,594**	9,883
The People's Republic of China ("PRC") except Hong Kong	**1,973,558**	612,913	**261,371**	1,366
Other Asian countries	**9,589**	–	**–**	–
Europe	**88,349**	4,823	**–**	–
Others	**2,283**	1,426	**–**	–
	2,269,381	633,957	**262,965**	11,249

Information about major customers

Revenue from customers contributing 10% or more of the total sales of the Group are as follows:

	2016	2015
	HK$'000	*HK$'000*
Largest customer *(note)*	**1,861,253**	568,275

Note:

Revenue from the above customer arose from the businesses of production and sale of industrial products and sourcing and sale of metal minerals and related industrial materials for the year ended 31 March 2016 (2015: sourcing and sale of metal minerals and related industrial materials).

4. OTHER REVENUE AND OTHER NET INCOME

	2016	2015
	HK$'000	*HK$'000*
Other revenue		
Interest income on bank deposits	**112**	301
Interest income on loan receivable	**319**	182
Total interest income on financial assets not at fair value through profit or loss	**431**	483
Sundry income	**142**	1,326
Rental income	**–**	78
	573	1,887
Other net income		
Gain on disposal of a subsidiary	**45**	1,575
Gain on a bargain purchase	**4,538**	–
Reversal of impairment allowance for trade receivables *(note 11(b))*	**–**	30
	4,583	1,605
	5,156	3,492

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the following:

	2016	2015
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans and overdrafts	**707**	203
Bills discount charges	**8,259**	8,595
Total interest expense on financial liabilities not at fair value through profit or loss	**8,966**	8,798

(b) Staff costs (including directors' emoluments)

	2016	2015
	HK$'000	*HK$'000*
Salaries, wages and other benefits	**24,909**	20,259
Contributions to defined contribution retirement plans	**1,110**	610
Equity-settled share based payment expenses	**11,001**	–
	37,020	20,869

(c) Other items

	2016	2015
	HK$'000	*HK$'000*
Cost of inventories #	**1,904,989**	569,017
Auditors' remuneration	**1,200**	796
Amortisation of other intangible asset	**420**	840
Amortisation of prepaid land lease payments	**12**	–
Depreciation for property, plant and equipment	**2,016**	387
Operating lease charges: minimum lease payments	**8,897**	4,800
Loss on disposal of property, plant and equipment	**–**	20
Written off of property, plant and equipment	**18**	35
Impairment allowance for trade receivables*	**72**	88
Impairment allowance for other receivables*	**5,660**	–
Impairment loss for property, plant and equipment*	**1,077**	–
Impairment loss for goodwill*	**5,368**	–
Impairment loss for other intangible asset*	**2,942**	–
Net foreign exchange loss	**29,516**	1,761
Fair value loss on derivative financial instruments	**13,601**	–

Cost of inventories includes HK$3,804,000 (2015: HK$899,000) relating to staff costs, depreciation and operating lease charges for the years ended 31 March 2016 and 2015 which amounts are also included in the respective total amounts disclosed separately in notes 5(b) and 5(c) for each of these types of expenses.

* These items are included in "Other operating expenses" on the face of the consolidated statement of profit or loss.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax in the consolidated statement of profit or loss represents:

	2016 *HK$'000*	2015 *HK$'000*
Current tax		
– Hong Kong Profits Tax *(note (i))*	**43,036**	4,942
– PRC Enterprise Income Tax ("EIT") *(note (ii))*	**3,384**	–
	46,420	4,942
Under/(over)-provision in respect of prior years		
– Hong Kong Profits Tax	**209**	(346)
Deferred tax		
– Origination and reversal of temporary differences	**(501)**	(155)
Total	**46,128**	4,441

Notes:

(i) The provision for Hong Kong Profits Tax for 2016 is calculated at 16.5% (2015: 16.5%) of estimated assessable profits for the year.

(ii) PRC subsidiaries are subject to PRC EIT at 25% (2015: 25%).

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No. 1, only the profits earned by foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Dividend distributed out of the profits generated thereafter shall be subject to the EIT at 5% or 10% and withheld by the PRC entities.

(iii) The Group is not subject to any taxation under the jurisdiction of Bermuda, Samoa and the British Virgin Islands for the years ended 31 March 2016 and 2015.

7. DIVIDENDS

(a) Dividends paid/payable to owners of the Company attributable to the years are as follows:

	2016	2015
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK0.06 cent per ordinary share (2015: HK0.02 cent per ordinary share *(note)*)	**12,330**	4,031
Final dividend proposed after the end of the reporting period of HK0.1 cent (2015: HK0.04 cent per ordinary share)	**20,554**	8,180
	32,884	12,211

Note: The dividend per share was adjusted for the effect of share subdivision of one share of par value of HK$0.002 each subdivided into 10 shares of par value of HK$0.0002 each in June 2015.

A final dividend of HK0.1 cent per ordinary share in respect of the year ended 31 March 2016 (2015: HK0.04 cent) was proposed by the board on 22 June 2016. Such final dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

The consolidated financial statements do not reflect this dividend payable.

(b) Dividends paid to owners of the Company attributable to the previous financial year, approved and paid during the year.

	2016	2015
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year ended 31 March 2016, of HK0.04 cent per ordinary share (2015: nil)	**8,220**	–

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2016	2015
Earnings		
Profit for the year attributable to owners of the Company (HK$'000)	**177,716**	17,198
Number of shares		
Weighted average number of ordinary shares in issue	**20,466,801,648**	20,154,072,140
Basic earnings per share (HK cent per share)	**0.868**	0.085

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the number of dilutive potential ordinary shares under the share option scheme.

	2016	2015
Earnings		
Profit for the year attributable to owners of the Company (HK$'000)	**177,716**	17,198
Number of shares		
Weighted average number of ordinary shares in issue for purpose of basic earnings per share	**20,466,801,648**	20,154,072,140
Effect of deemed issue of share under the Company's share option scheme for nil consideration	**596,763,353**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**21,063,563,001**	20,154,072,140
Diluted earnings per share (HK cent per share)	**0.844**	0.085

9. GOODWILL

	2016	2015
	HK$'000	*HK$'000*
Cost		
At beginning of the year	**5,368**	819
Arising on acquisition of subsidiaries during the year	**–**	5,368
Derecognised on disposal of subsidiaries	**–**	(819)
At end of the year	**5,368**	5,368
Accumulated impairment losses		
At beginning of the year	**–**	819
Impairment loss	**(5,368)**	–
Derecognised on disposal of subsidiaries	**–**	(819)
At end of the year	**(5,368)**	–
Carrying amount	**–**	5,368

10. OTHER INTANGIBLE ASSET

	Customer relationship
	HK$'000
Cost	
At 1 April 2014	–
Acquisition through business combination	4,202
At 31 March 2015, 1 April 2015 and 31 March 2016	4,202
Accumulated amortisation and impairment	
At 1 April 2014	–
Amortisation for the year	840
At 31 March 2015 and 1 April 2015	840
Amortisation for the year	420
Impairment loss recognised in profit or loss	2,942
At 31 March 2016	4,202
Carrying amount	
At 31 March 2016	–
At 31 March 2015	3,362

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

During the year ended 31 March 2016, because of the lost of major customers for the business of provision of logistics services, the directors consider the recoverable amount of the CGU of Shing Kee International Logistics Holdings Limited together with its subsidiary, Shing Kee Sea-land Logistics & Warehousing (Shenzhen) Co., Ltd. (literally translation of 勝記海陸物流倉(深圳)有限公司 (collectively the "SKIL Group"), which was determined based on value in use calculations, to drop to nil, an impairment loss on the other intangible asset of HK$2,942,000 was recognised in "other operating expenses" in the consolidated statement of profit or loss.

11. TRADE AND BILLS RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade and bills receivables	**1,842,388**	305,470
Less: Allowance for doubtful debts *(note (b))*	**(160)**	(88)
	1,842,228	305,382

All of the trade and bills receivables are expected to be recovered within one year.

Notes:

(a) Age analysis

The following is an analysis of trade and bills receivables by age, presented based on the invoice date or the bills issue date, and net of allowance for doubtful debts:

	2016	2015
	HK$'000	*HK$'000*
0 – 60 days	**363,608**	169,247
61 – 120 days	**579,186**	74,259
121 – 180 days	**390,744**	61,075
181 – 360 days	**508,690**	801
	1,842,228	305,382

Trade and bills receivables are due within 30 to 360 days (2015: 30 to 180 days) from the date of billing.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

Movements in the allowance for doubtful debts

	2016	2015
	HK$'000	*HK$'000*
At beginning of the year	**88**	860
Impairment loss recognised	**72**	88
Amount written off upon disposal of subsidiaries	**–**	(470)
Uncollectible amount written off	**–**	(360)
Reversal of impairment allowance	**–**	(30)
At end of the year	**160**	88

12. TRADE AND BILLS PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade and bills payables	**1,270,521**	21,514

Notes:

(a) All of the trade and bills payables are expected to be settled within one year.

(b) At 31 March 2016, included within trade and bills payables were bills payables of HK$186,061,000 (2015: nil) being secured by the restricted bank deposits of HK$72,825,000 (2015: nil).

(c) The following is an analysis of trade and bills payables by age, presented based on the invoice date or the bills issue date:

	2016	2015
	HK$'000	*HK$'000*
0 – 60 days	**288,304**	4,112
61 – 120 days	**378,016**	1,180
121 – 180 days	**334,031**	213
181 – 360 days	**269,285**	16,009
Over 360 days	**885**	–
	1,270,521	21,514

13. SHARE CAPITAL

		2016		2015	
		Number of shares	**Amount**	Number of shares	Amount
	Notes		***HK$'000***		*HK$'000*
Authorised:					
At the beginning of the year					
(ordinary shares of HK$0.002 each)		**50,000,000,000**	**100,000**	50,000,000,000	100,000
Share subdivision	(i)	**450,000,000,000**	**–**	–	–
At the end of the year					
(ordinary shares of HK$0.002 each)		**–**	**–**	50,000,000,000	100,000
(ordinary shares of HK$0.0002 each)		**500,000,000,000**	**100,000**	–	–
Ordinary shares, issued and fully paid:					
At the beginning of the year		**2,015,407,214**	**4,031**	2,015,407,214	4,031
Share Subdivision	(i)	**18,314,164,926**	**–**	–	–
Shares issued under share option scheme	(ii)	**224,500,000**	**80**	–	–
At the end of the year					
(ordinary shares of HK$0.002 each)		**–**	**–**	2,015,407,214	4,031
(ordinary shares of HK$0.0002 each)		**20,554,072,140**	**4,111**	–	–

Notes:

(i) Upon the share subdivision ("Share Subdivision") becoming effective on 9 June 2015, each of the issued and unissued ordinary shares of par value of HK$0.002 each in the share capital of the Company was subdivided into ten ordinary shares of par value of HK$0.0002 each ("Subdivided Shares"). The Subdivided Shares rank pari passu in all respects with each other and with the shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares are not affected by the Share Subdivision.

(ii) During the year ended 31 March 2016, the Company allotted and issued 19,500,000 ordinary shares of par value of HK$0.002 each (before the Share Subdivision) and 205,000,000 ordinary shares of par value of HK$0.0002 each (after the Share Subdivision).

The owner of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares ranks equally with regard to the Company's residual value.

14. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The existing share option scheme of the Company (the "Share Option Scheme") was adopted by the Company at the annual general meeting of the Company held on 27 August 2012 for the purpose of providing incentives to eligible participants and the previous share option scheme of the Company adopted on 6 January 2003 was terminated on the same date.

On 1 April 2015, the Company granted share options to subscribe for a total of 93,000,000 ordinary shares of HK$0.002 each under the Company's Share Option Scheme to eligible persons. The exercise price of the options granted was HK$0.335 per share and the exercisable period was from 1 April 2015 to 31 March 2017. Among the options granted, 71,000,000 options were granted to the directors of the Company and 22,000,000 options were granted to the employees of the Group.

Pursuant to the Share Option Scheme and relevant rules of the Listing Rules, upon the Share Subdivision becoming effect on 9 June 2015, each of the issued and unissued ordinary shares of par value of HK$0.002 each in the share capital of the Company was subdivided into ten shares of par value of HK$0.0002 each and the exercise price of the outstanding options was adjusted to HK$0.0335 per share accordingly.

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) Terms of unexpired and unexercised share options at the end of the reporting period

	Outstanding at 31 March 2016	
	Exercise price *HK$*	**Number of share options**
Exercised period		
1 April 2015 to 31 March 2017	0.0335	530,000,000

No share options were granted or exercised during the year ended 31 March 2015 and no share options were outstanding as at 31 March 2015.

(b) **The number and weighted average exercise prices of share options are as follows:**

	Weighted average exercise price *HK$*	Number of share options
Outstanding at the beginning of the year	–	–
Granted during the year prior to Share Subdivision	0.335	93,000,000
Exercised during the year prior to Share Subdivision	0.335	(29,600,000)
	0.335	63,400,000
Adjusted during the year upon completion of Share Subdivision	0.0335	570,600,000
Exercised during the year after Share Subdivision	0.0335	(104,000,000)
Outstanding and exercisable at the end of the year	0.0335	530,000,000

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2016 was HK$1.1993. As at 31 March 2016, the share options outstanding had an exercise price of HK$0.0335 and a weighted average remaining contractual life of 1 year.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

Date granted	**1 April 2015**
Fair value per share option at measurement date	HK$0.1183
Share price	HK$0.33
Exercise price	HK$0.335
Expected volatility (expressed as weighted average volatility used in the modelling under the Binomial Model)	75.997%
Option life (expressed as weighted average life used in the modelling under the Binomial Model)	2 years
Exit rate (expressed as weighted average rate used in the modelling under the Binomial Model)	10.82%
Exercise multiple (expressed as weighted average multiple used in the modelling under the Binomial Model)	2.9
Expected dividends	1.82%
Risk-free interest rate (based on Hong Kong Sovereign Curve)	0.452%

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

OPERATIONS REVIEW

The year ended 31 March 2016 was a successful year for the Group. The Group achieved significant growth in revenue, profit as well as assets with the management's effort in pursuing its expansion strategy. The Group continued to perform well for its sourcing and sale of metal minerals and related industrial materials and fetched additional business opportunities to the Group through acquisitions of companies.

For the year under review, the Group reported a revenue of HK$2,269,381,000, which showed a remarkable increase of 2.6 times when compared with HK$633,957,000 in the previous year, and gross profit of HK$357,262,000, which jumped by 5.0 times when compared to HK$59,929,000 in last year. The significant growth in the Group's turnover and gross profit were mainly attributed to the contribution from the sourcing and sale of metal minerals and related industrial materials business segment. As a result of the substantial increase in turnover and gross profit of the Group, the Group posted a profit for the year amounting to HK$169,138,000, which increased by 9.8 times compared to last year of HK$15,602,000.

For the year under review, the Group recorded profit attributable to owners of the Company of HK$177,716,000 which increased by 9.3 times when compared to HK$17,198,000 in last year. The Company's earnings per share for the year amounted to HK0.868 cent as compared to the previous year of HK0.085 cent.

The Group's operation in sourcing and sale of metal minerals and related industrial materials delivered very impressive results for the review year. The operation achieved revenue of HK$2,225,538,000 and segment profit of HK$339,960,000, which showed sharp increases of 267% and 484% respectively over their last year comparables of HK$606,369,000 and HK$58,247,000. The successful results achieved were primarily attributable to the increase of products, volume and better pricing of metal minerals and related industrial materials transacted during the year, which was in turn results of the management's efforts in expanding the operation's supplier and customer bases. The Group will continue to devote resources to enhance its sales force and explore business opportunities in new products and overseas markets.

During the year, the Group's operation in sale of electrical and electronic consumer products was stagnant owing to the increasingly challenging business environment faced by the Group. The operation reported revenue of HK$4,891,000 (2015: HK$23,493,000) representing decrease of 79% from last year and segment loss of HK$133,000 (2015: HK$1,878,000).

During the year, with the view to better utilise its resources, the Group disposed of a subsidiary principally engaged in the sale of electrical and electronic consumer products. The Group recorded a gain on disposal of subsidiary of HK$45,000 and recognised as other net income for the year.

During the year, the Group's operation in provision of logistics services showed a substantial decrease in business. The logistics operation posted revenue and gross loss of HK$1,547,000 and HK$5,584,000 respectively as compared to the four months results included in last year (HK$4,181,000 and HK$830,000). Performance of the operation was unsatisfactory mainly due to loss of major customers. The Group has started its logistics operation in Tianjin in February 2016 and shifted its business focus from Shenzhen to northern part of mainland China.

During the year, the Group expand its businesses to production and sale of industrial products through the acquisition of a company located in 寧夏回族自治區 (literally translated as Ningxia Hui Autonomous Region) with a sulfuric acid production plant in February 2016. The operation of production and sale of industrial products posted revenue and segment profit of HK$37,405,000 and HK$13,971,000 respectively for the 2 months ended 31 March 2016. Performance of this operation achieved its initial expectation. The Group will explore opportunities to increase the production of sulfuric acid.

To further diversify its revenue sources and bring in additional business opportunities to the Group, the Group also completed the acquisition of a company with a 36MW waste heat power generation plant (the "36MW Power Plant") on 31 March 2016. The 36MW Power Plant is located at 寧夏回族自治區中寧縣新材料循環經濟示範園區 (literally translated as Ningxia Hui Autonomus Region Zhongning County New Materials Recycle Economic Demonstration Park). The 36MW Power Plant is expected to commence the operation in the second half of 2016.

The above acquisitions contributed mainly to the increase in the Group's property, plant and equipment, repaid land lease payments, deposits paid for acquisition of property, plant and equipment, inventories, accruals, deposits and other payables which amounted to HK$226,713,000, HK$3,669,000, HK$31,938,000, HK$40,815,000 and HK$264,837,000 respectively as at 31 March 2016 (2015: HK$1,879,000, nil, nil, HK$8,808,000 and HK$8,347,000).

As for administrative expenses, the amount was HK$114,019,000 which increased by 2.8 times when compared to HK$30,102,000 in last year. The increase was a combination effect of the recognition of the share based payment expenses relating to share options granted in April 2015, the increase in manpower cost, foreign exchange losses and legal and professional fee. The foreign exchange losses incurred was due to exposure to foreign exchange risk from various currencies. The foreign exchange risk was mainly related to Renminbi and the United State dollars, mostly arising from purchase transactions conducted with overseas suppliers in foreign currencies and sales transactions with Mainland customers in Renminbi. In response to specific customer needs, the Group have the exposure to foreign exchange risk in exchange for better pricing in return. The other operating expenses of HK$15,119,000 (2015: HK$88,000) represented the recognition of impairment losses and/or allowances for goodwill, other intangible asset, trade and other receivables and property, plant and equipment.

During the year, the Group recognized other comprehensive income of HK$1,479,000 (2015: other comprehensive expenses: HK$508,000) being exchange differences on translation of financial statements of overseas subsidiaries with the result that the Group recorded total comprehensive income for the year of HK$170,617,000 compared to total comprehensive income of HK$15,094,000 in the prior year. The Group's total comprehensive income, net of tax, attributable to owners of the Company was HK$179,043,000 for the year under review compared to HK$16,687,000 in the prior year.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

During the year ended 31 March 2016, the Group financed its operations mainly by cash generated from its business activities, credit facilities, advances and loans provided by banks. At 31 March 2016, the Group had current assets of HK$3,314,320,000 (2015: HK$489,561,000) comprising cash and bank balances of HK$80,326,000 (excluding restricted bank deposits) (2015: HK$85,348,000). The Group's current ratio, calculated based on current assets over current liabilities of HK$3,237,459,000 (2015: HK$333,792,000) was at a health ratio of 1.02 (2015: 1.47).

At the year end, the Group's trade and bills receivables amounted to HK$1,842,228,000 (2015: HK$305,382,000), restricted bank deposits amounted to HK$1,271,880,000 (2015: nil), trade and bills payables amounted to HK$1,270,521,000 (2015: HK$21,514,000), bank advances for discounted bills amounted to HK$458,555,000 (2015: HK$299,225,000) and bank loan amounted to HK$1,199,055,000 (2015: HK$309,000). Such increases in the Group's trade and bills receivables, trade and bills payables, bank advances for discounted bills and bank loans were mainly due to the surge in trade volume and extension of credit period of metal minerals and related industrial materials and the discounting of bills with recourse transacted during the year.

At the year end, the Group's equity attributable to owners of the Company amounting to HK$347,048,000 (2015: HK$164,154,000). The increase in equity attributable to owners of the Company was mainly due to the profit earned by the Group during the year.

The Group's finance costs for the year under review was HK$8,966,000 (2015: HK$8,798,000) which was primarily interest for bank loans and discounting of bills receivables. The Group's gearing ratio represented its total borrowings over the sum of equity attributable to owners of the Company and total borrowings of the Group. At the year end, the Group's borrowings comprised bank loans and bank advances for discounted bills of HK$1,199,055,000 and HK$458,555,000 respectively (2015: HK$309,000 and HK$299,225,000), as the Group's equity attributable to owners of the Company stood at HK$347,048,000 (2015: HK$164,154,000), the Group's gearing ratio was therefore at about 83% (2015: 65%).

Starting from 9 June 2015, every one issued and unissued share of par value of HK$0.002 each in the share capital of the Company has been subdivided into ten subdivided shares of par value of HK$0.0002 each (the "Share Subdivision"). Upon completion of the Share Subdivision, the issued shares of the Company increased by 18,314,164,926 shares.

During the year, the Company allotted and issued 19,500,000 ordinary shares of par value of HK$0.002 each (before the Share Subdivision) and 205,000,000 ordinary shares of par value of HK$0.0002 each (after the Share Subdivision).

With the amount of liquid assets on hand, credit facilities, advances and loan granted by banks, the management will explore the feasibility of carrying out certain fund-raising exercises, with the support from investment banks and professional advisers, to meet its ongoing operational requirements and business expansion.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a strategy in its foreign currency risk management, primarily by including the estimated exchange differences on currency exposure in the pricing of metal minerals trade to minimize the impact of foreign exchange risk on the Group's profit. The Group has also entered into foreign currency forward contracts to hedge against the Group's currency exposure. The Group thus believes the current level of bank balances, certain receivables and payables denominated in Renminbi and United States dollars expose us to a manageable foreign currency risk. The management will pay vigilant attention to the fluctuation of Renminbi and closely monitor the foreign currency exposure. The Group will further consider using any appropriate financial derivatives to hedge against the Group's currency risk and manage its exposure.

Borrowings and Pledge of Assets

As at 31 March 2016, the Group had bank loan and bank advances for discounted bills of HK$1,199,055,000 and HK$458,555,000 respectively (2015: HK$309,000 and HK$299,225,000) which were secured by the same amount of the Group's restricted bank deposits and bills receivables.

Restricted Bank Deposits

As at 31 March 2016, restricted bank deposits in the amount of HK$1,271,880,000 (2015: nil) mainly refers to the deposits placed at designated bank accounts to secure the trade facilities and bank loan of the Group.

Capital Commitments

As at 31 March 2016, the Group had capital commitments of RMB20,253,000 (equivalent to approximately HK$24,285,000) (2015: nil) mainly for the acquisition of machineries, equipment and their installation works for the 36MW Power Plant.

Contingent Liabilities

As at 31 March 2016, the Group had no material contingent liabilities (2015: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, the Group had a total of about 310 employees and directors (2015: 73). The increase in the Group's headcount was mainly due to the completion of acquisitions of a sulfuric acid production plant as stated in the Company's announcement dated 1 February 2016 and the 36MW Power Plant as stated in the Company's circular dated 11 March 2016. Total staff costs for the year, including directors' remuneration, was HK$37,020,000 (2015: HK$20,869,000). The increase in staff cost was the combination results of increase in head count, increase in salaries and emolument of the staff and directors and the recognition of the share based payment expenses relating to share options granted in April 2015. Remuneration packages for employees and directors are structured by reference to market terms and individual competence, performance and experience. Benefits plans maintained by the Group include provident fund scheme, medical insurance, share option scheme and discretionary bonuses.

PROSPECT

In light of the challenging economic and operating environment, our Group is not optimistic about the demand and prices of metal minerals and related industrial materials, and will endeavor to expand the range and varieties of our products as well as to expand our market.

The 36MW Power Plant is expected to commence operation in the second half of 2016, which will be operated in full capacity and generate revenue for the Group, and will become a new source of revenue of the Group. In addition, in order to expand the industrial products business, the Group will also consider increasing the annual production capacity of the sulfuric acid production plant.

Looking forward the global macroeconomic environment continues to be unsettled the transformation of China's economic structure has slowed down the country's economy, the Group will ensure to make good use of our core competence amid the challenging environment to develop our existing businesses, and will aggressively explore potential investment and expansion opportunities, so as to assure the balance and stable development of our businesses and to enhance the different business lines. The Group will also seize business opportunity with better return to create value for our shareholders.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2016.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 March 2016 had been reviewed by the Audit Committee of the Company (the "Audit Committee") before they were duly approved by the Board under the recommendation of the Audit Committee.

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

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INFORMATION ON THE WEBSITES OF STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.bepgroup.com.hk) respectively. The relevant annual report of the Company will be despatched to the shareholders of the Company and available on the same websites in due course.

By Order of the Board
Zhang Honghai
Chairman

Hong Kong, 22 June 2016

As at the date of this announcement, the Board comprises Mr. Zhang Honghai (Chairman), Mr. Wang Zhonghe (Vice-Chairman), Mr. Cheung Ming (Chief Executive Officer) and Mr. Ren Haisheng as Executive Directors and Mr. Chan Kwong Fat, George, Mr. Siu Hi Lam, Alick and Mr. Ng Tze Kin as Independent Non-executive Directors.

* *For identification purpose only*