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SINO PROSPER HOLDINGS LIMITED

中盈控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

DELAY IN DESPATCH OF CIRCULAR RELATING TO THE MAJOR TRANSACTION

Reference is made to the Announcement dated 4 May 2006 in relation to the Acquisition. As more time is required for the preparation of the technical report for inclusion thereof the Circular, the despatch of the Circular will be postponed. The Company has applied to the Stock Exchange for an extension of the deadline for the despatch of the Circular in relation to the Acquisition to no later than 31 July 2006.

Reference is made to the announcement of the Company dated 4 May 2006 (the "Announcement") in relation to the Acquisition. Terms used herein shall have the same meanings as defined in the Announcement.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Acquisition (the "Circular") within 21 days after the publication of the Announcement, that is, on or before 29 May 2006. Pursuant to Rule 18.09 of the Listing Rules, the Circular must contain, among others, a technical report prepared by a technical adviser to the Company with respect to the estimated reserves of coal in the Site and the evidence on which the estimate is based, which will involve drilling program at the Site. Such drilling program is time-consuming and is expected to take at least about two months and, as at the date of this announcement, the drilling program has not yet been completed. Based on the current schedule of the geological exploration program for the Site prepared by the Coalfield Exploration Team, the Directors expect that the technical report to be included in the Circular would only be available in or around early July 2006 and therefore the despatch of the Circular will be postponed.

For this reason, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rules 14.38 of the Listing Rules and an extension of the deadline for the despatch of the Circular to no later than 31 July 2006.

As at the date of this announcement, Mr. Leung Ngai Man, Mr. Yeung Kit, Mr. Wong Wa Tak and Mr. Tang Yan Tian are the executive Directors, and Mr. Chan Sing Fai, Mr. Cai Wei Lun and Mr. Leung Wai Cheung are the independent non-executive Directors.

By order of the Board of
Sino Prosper Holdings Limited
Tang Yan Tian
Chief Executive Officer

Hong Kong, 26 May 2006

Please also refer to the published version of this announcement in International Herald Tribune.