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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)

**FRAMEWORK AGREEMENT IN RELATION TO THE  
INVESTMENT IN GOLD MINING IN THE PRC**

The Board is pleased to announce that after trading hours on 13 October 2009, Sino Prosper Mineral (a wholly-owned subsidiary of the Company), the PRC Company and the PRC Company Existing Shareholder entered into a Framework Agreement, pursuant to which Sino Prosper Mineral intends to invest in not less than 70% shareholding of the PRC Company at a proposed total consideration of not exceeding RMB140,000,000.

Under the Framework Agreement, the PRC Company Existing Shareholder has agreed to grant an exclusive investment right to Sino Prosper Mineral during the period of one year from the date of the Framework Agreement, and Sino Prosper Mineral is entitled on an exclusive basis to make investment (by itself and/or through its subsidiaries) in the shareholding of the PRC Company or the exploration/exploitation right owned by the PRC Company from time to time.

The PRC Company's gold mine project is located in Inner Mongolia Autonomous Region, the PRC (中國內蒙古自治區). As at the date of this announcement, the PRC Company is the holder of an exploitation permit of a mine which is valid for a period from 31 May 2009 to 31 May 2012, and the exploitation area covered is 2.0732 sq. km. The PRC Company has also entered into a cooperation agreement with Inner Mongolia Jintao Co. Limited\* (內蒙古金陶股份有限公司), which stipulated the rights of the PRC Company in relation to the exploration project. According to the PRC Company, it has a mineral processing plant with daily capacity of approximately 50 tonnes gold ores.

If the Framework Agreement proceeds to the signing of a formal investment agreement, the Proposed Investment may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as to the progress of the Proposed Investment.

**Shareholders and potential investors of the Shares should note that the Proposed Investment may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that after trading hours on 13 October 2009, Sino Prosper Mineral (a wholly-owned subsidiary of the Company), the PRC Company and the PRC Company Existing Shareholder entered into a Framework Agreement, pursuant to which Sino Prosper Mineral intends to invest in not less than 70% shareholding of the PRC Company at a proposed total consideration of not exceeding RMB140,000,000.

To the best knowledge of the Directors after making all reasonable enquiries, the PRC Company and the PRC Company Existing Shareholder are third parties independent of the Company and its connected persons.

Pursuant to the Framework Agreement, a deposit of RMB1,000,000 shall be paid by Sino Prosper Mineral (or its fellow subsidiary(ies) or related company) to the PRC Company Existing Shareholder and/or the PRC Company within ten days from the date of the Framework Agreement. The deposit is generally refundable unless Sino Prosper Mineral fails to make the Proposed Investment without any reasonable justifications or Sino Prosper Mineral fails to complete the Proposed Investment in accordance the terms of the formal investment agreement (if entered into).

According to information supplied by the PRC Company Existing Shareholder, the PRC Company's gold mine project is located in Inner Mongolia Autonomous Region, the PRC (中國內蒙古自治區). As at the date of this announcement, the PRC Company is the holder of an exploitation permit of a mine which is valid for a period from 31 May 2009 to 31 May 2012 and the exploitation area covered is 2.0732 sq. km. The PRC Company has also entered into a cooperation agreement with Inner Mongolia Jintao Co. Limited\* (內蒙古金陶股份有限公司), which stipulated the rights of PRC Company in relation to the exploration project. In addition, the PRC Company has a mineral processing plant with daily capacity of approximately 50 tonnes gold ores. The PRC Company Existing Shareholder currently proposes to conduct steps of reorganization of the PRC Company. In the process of the reorganization of the PRC Company, the PRC Company Existing Shareholder has agreed to consult PRC legal advisers and Sino Prosper Mineral in order not to prejudice the Proposed Investment.

The terms of the Proposed Investment are subject to further negotiation and the formal investment agreement is targeted to be signed on or before 30 January 2010. The signing of the formal investment agreement is conditional upon, amongst other things:

1. The PRC Company Existing Shareholder undertaking that the gold resources of the mining area to be no less than 10 tonnes.
2. The provision of a feasibility report from the PRC Company in respect of enhancement of the exploration of gold reserves and resources in the relevant mining area.

3. The provision of a detailed and feasible technological advancement proposal from the PRC Company, which includes the construction of a mineral processing plant with daily production capacity not less than 500 to 1500 tonnes gold ores and which is equipped with facilities for segregation of silver, sulphur and copper from multi-metal concentrated powders.
4. The provision of a five to ten years business plan of the PRC Company (which includes plan, where circumstances then permit, to integrate the gold mining resources adjacent to the mining area).
5. The completion of the preliminary due diligence reviews conducted by Sino Prosper Mineral and Sino Prosper Mineral being satisfied with the results of such preliminary due diligence reviews.

Under the Framework Agreement, the PRC Company Existing Shareholder has agreed to grant an exclusive investment right to Sino Prosper Mineral during the period of one year from the date of the Framework Agreement, Sino Prosper Mineral is entitled on an exclusive basis to make investment in the shareholding of the PRC Company or the exploration/exploitation right owned by the PRC Company from time to time.

The Company will conduct due diligence reviews on the PRC Company, including but not limited to the aspects of geology, technology, legal status, the continuing operation, the assets and liabilities, the financial position and operations of the PRC Company. The Company will also appoint technical adviser and independent valuer to prepare technical report and valuation report respectively on the mining project of the PRC Company. The PRC Company Existing Shareholder agreed that if the Proposed Investment proceeds, the PRC Company will be free of any liabilities or debt upon the completion of the formal investment agreement (if so signed and completed). In addition, immediately before the completion of the formal investment agreement, save for the rights enjoyed by Sino Prosper Mineral under the Framework Agreement, the shareholding held in the PRC Company (or other relevant company(ies) after completion of the said reorganisation) by the PRC Company Existing Shareholder will not be subject to any lien, encumbrance or other third party right.

If the Proposed Investment proceeds, after its completion and reorganization of the PRC Company (or, where applicable, other relevant company(ies) after completion of the said reorganisation), the board of directors of the PRC Company (or, as the case may be, the relevant company(ies)) will comprise three persons, two of which (including the legal representative) will be nominated by Sino Prosper Mineral, while the remaining director will be nominated by the PRC Company Existing Shareholder. The general manager, financial controller and other senior management of the PRC Company will also be appointed by Sino Prosper Mineral.

It is stipulated under the Framework Agreement that the terms of the Proposed Investment are not legally-binding, and will be subject to formal investment agreement to be further discussed and agreed (if so agreed) between the parties. Other terms (such as payment and refunding of deposit, grant of exclusivity by the PRC Company and the PRC Company Existing Shareholder, the PRC Company allowing Sino Prosper Mineral to conduct due diligence reviews, and the PRC Company and the PRC Company Existing Shareholder undertaking to consult Sino Prosper Mineral in connection with the reorganisation) are legally binding on the parties to the Framework Agreement.

If the Framework Agreement proceeds to the signing of a formal investment agreement, the Proposed Investment may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as to the progress of the Proposed Investment.

**Shareholders and potential investors of the Shares should note that the Proposed Investment may or may not materialize. Shareholders and investors should exercise caution in dealing with the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Sino Prosper Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Framework Agreement”	a framework agreement entered into between the Sino Prosper Mineral, the PRC Company and the PRC Company Existing Shareholder on 13 October 2009 in relation to the Proposed Investment
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC Company”	敖漢旗鑫瑞恩礦業有限責任公司, a company incorporated in the PRC with limited liability

“PRC Company Existing Shareholder”	existing shareholder of the PRC Company, a third party independent of and not connected with the Company and its connected persons
“Proposed Investment”	the proposed investment by the Company in not less than 70% shareholding in the PRC Company, subject to the signing (and completion) of a formal investment agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“Sino Prosper Mineral”	Sino Prosper Mineral Products Limited (中盈礦產有限公司), a wholly-owned subsidiary of the Company
“sq. km.”	square kilometre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Sino Prosper Holdings Limited**  
**Yeung Kit**  
*Executive Director*

Hong Kong, 13 October 2009

*As at the date of this announcement, the executive directors of the Company are Mr. Leung Ngai Man, Mr. Ng Kwok Chu, Winfield, Mr. Wong Wa Tak and Mr. Yeung Kit and the independent non-executive directors of the Company are Mr. Cai Wei Lun, Mr. Chan Sing Fai and Dr. Leung Wai Cheung.*

\* *For identification purpose only*