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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)

PLACING OF EXISTING SHARES, TOP-UP SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING

Placing Agent



DBS ASIA CAPITAL LIMITED

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

On 14 October 2009, the Placing Agreement was entered into among the Vendor, the Company and the Placing Agent, pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 342,270,000 Placing Shares held by the Vendor to independent third parties who are not connected persons of the Company and are independent of and not connected with the Company, the directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates at HK\$0.25 per Placing Share.

Under the Subscription Agreement dated 14 October 2009 and entered into between the Vendor (as subscriber) and the Company, the Vendor has conditionally agreed to subscribe for the Subscription Shares (the number of which shall be equivalent to the Placing Shares actually sold by the Vendor under the Placing) at HK\$0.25 per Subscription Share. The Subscription is subject to various conditions set out below under the section headed “Conditions of the Subscription”.

This price represents (i) a discount of approximately 9.09% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 13 October 2009, being the last trading day immediately prior to the date of this announcement; (ii) a discount of approximately 9.09% to the average closing price of approximately HK\$0.275 per Share as quoted on the Stock Exchange for the last five trading days up to and including 13 October 2009, being the last trading day immediately prior to the date of this announcement and (iii) a discount of approximately 6.61% to the average closing price of approximately HK\$0.2677 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 13 October 2009, being the last trading day prior to the date of this announcement.

The Placing Shares represent approximately 15.70% of the issued share capital of the Company as at the date of this announcement and, assuming the Placing Shares are fully placed under the Placing, approximately 13.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Assuming the Placing Shares are fully placed under the Placing, the shareholding of the Vendor, held by himself and through Climax Park Limited, the entire issued share capital was owned by the Vendor, will decrease from approximately 29.00% to approximately 13.30% immediately after completion of the Placing and will increase to approximately 25.06% immediately after completion of the Subscription.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 25 September 2009. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Assuming that the Placing Shares are fully placed under the Placing, the gross proceeds and net proceeds from the Subscription are estimated to be approximately HK\$85.6 million and HK\$84.2 million respectively. The Company intends to retain the net proceeds as general working capital of the Group and to finance any possible acquisition plan of the Group in the future.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 9:33 a.m. on 14 October 2009 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2009.

THE PLACING

The Placing Agreement dated 14 October 2009 was entered into by and among the Vendor, the Company and the Placing Agent.

Vendor:

Mr. Leung, an executive Director and a substantial shareholder of the Company, holding 468,600,000 Shares (including the Placing Shares) which represent approximately 21.50% of the existing issued share capital of the Company as at the date of this announcement. Mr. Leung was also indirectly interested in 163,550,000 Shares held in the name of Climax Park Limited, a company incorporated in the British Virgin Islands whose entire issued share capital was owned by Mr. Leung as at the date of this announcement. As at the date of this announcement, the Vendor is, directly and indirectly, interested in approximately 29.00% of the existing issued share capital of the Company.

Placing Agent:

DBS Asia Capital Limited

Number of Placing Shares:

The Placing Agent has agreed to procure, on a best effort basis, places for the purchase of up to 342,270,000 Shares owned by the Vendor, representing approximately 15.70% of the issued share capital of the Company as at the date of this announcement and, assuming the Placing Shares are fully placed under the Placing, approximately 13.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Placing price:

HK\$0.25 per Placing Share.

This price was agreed after arm's length negotiations between the Vendor, the Company and the Placing Agent with reference to recent market prices of the Shares. This price represents (i) a discount of approximately 9.09% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 13 October 2009, being the last trading day immediately prior to the date of this announcement; (ii) a discount of approximately 9.09% to the average closing price of approximately HK\$0.275 per Share as quoted on the Stock Exchange for the last five trading days up to and including 13 October 2009, being the last trading day immediately prior to the date of this announcement; and (iii) a discount of approximately 6.61% to the average closing price of approximately HK\$0.2677 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 13 October 2009, being the last trading day prior to the date of this announcement.

Placees:

The Placing Shares will be placed at the Placing Price on a best effort basis. It is expected that the Placing Shares will be placed to not less than six independent private individual and institutional investors, who are independent of and not connected nor acting in concert with the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or associated companies, or any of their respective associates, or the Vendor or parties acting in concert with it.

Independence of the Placees and the Placing Agent:

To the best knowledge of the Directors:

- (a) the placees, (where applicable) their ultimate beneficial owners, the Placing Agent and its beneficial owners are independent of and not connected to nor acting in concert with the Vendor or any persons acting in concert with it;
- (b) the placees, (where applicable) their ultimate beneficial owners, the Placing Agent and its beneficial owners are not connected persons of the Company and are independent of and not connected with the Company, the Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates; and
- (c) none of the placees will become substantial shareholders of the Company immediately following the Placing.

Completion of the Placing:

The Completion of the Placing will take place on or before 12:00 noon on 19 October 2009 (being the second business day immediately following the expected date on which the Shares first resume trading after the date of this announcement) (or such later time and/or date as the Vendor and the Placing Agent may agree in writing) and provide sufficient confirmation of the same to the Placing Agent.

Rights of the Placing Shares:

The Placing Shares will be sold by the Vendor free from all liens, charges and encumbrances and together with all rights attaching to the Placing Shares as at the date of the Placing Agreement, including the right to receive all dividends declared, made or paid in respect of the Placing Shares on or after the date of the Placing Agreement.

Termination:

Pursuant to the Placing Agreement, the Placing Agent may after consultation with the Vendor terminate the Placing Agreement without liability to the Vendor by giving notice in writing to the Vendor, provided that such notice is received prior to 12:00 noon on the date of completion of the Placing, upon the occurrence of any of the following:

- (a) in the reasonable opinion of the Placing Agent, there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provisions of the Placing Agreement; or
- (c) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Non-disposal and issue of Shares:

Under the Placing Agreement:

- (a) The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing Agreement) for the period of 30 days from date of completion of the Placing, he will not sell, transfer, grant options over or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any of his Shares or any interests therein unless the prior written consent of the Placing Agent to any disposal or grant shall have been obtained (such consent not to be unreasonably withheld or delayed); and
- (b) The Company has agreed that it and any of its subsidiaries will not, issue or agree to allot or issue any Shares (other than pursuant to (i) any exercise of any convertible bonds or warrants or options in issue at the date of the Placing Agreement or any other conversion or subscription rights existing at the date of the Placing Agreement; (ii) exercise of any share options granted pursuant to the share option schemes of the Company adopted pursuant to the Listing Rules or (iii) any scrip dividend scheme) or other securities or grant or agree to grant any options (other than options granted or to be granted pursuant to the share option scheme of the Company adopted pursuant to the Listing Rules), warrants or other rights to subscribe for Shares or other securities or to repurchase any securities of the Company, for the period of 30 days from the date of completion of the Placing without first having obtained the prior written consent of the Placing Agent (such consent not to be unreasonably withheld or delayed).

THE SUBSCRIPTION

The Subscription Agreement dated 14 October 2009 was entered into between the Vendor (as subscriber) and the Company.

Subscriber: The Vendor

Issuer: The Company

Number of Subscription Shares:

The Company has agreed to allot and issue and the Vendor has agreed to subscribe for up to the 342,270,000 new Shares (the exact number of which will be equivalent to the number of the Placing Shares actually placed under the Placing), which, having an aggregate nominal value of HK\$3,422,700, represents approximately 15.70% of the issued share capital of the Company as at the date of this announcement and, assuming the Placing Shares are fully placed under the Placing, approximately 13.57% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares.

Subscription price:

HK\$0.25 per Subscription Share, which is equivalent to the price per Placing Share.

Mandate to allot and issue new Shares:

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 25 September 2009. The Company is authorised to issue 342,278,631 Shares under such mandate and the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Placing and the Subscription. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' approval.

Ranking:

The Subscription Shares will, when fully paid, rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Subscription, including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Subscription.

Conditions of the Subscription:

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Subscription Shares; and
- (b) completion of the Placing pursuant to the Placing Agreement.

Assuming the Placing Shares are fully placed under the Placing, the shareholding of the Vendor, held by himself and through Climax Park Limited, the entire issued share capital was owned by the Vendor, will decrease from approximately 29.00% to approximately 13.30% immediately after completion of the Placing and will increase to approximately 25.06% immediately after completion of the Subscription.

Completion of the Subscription:

Completion of the Subscription will take place on the next business day following the day on which the conditions referred to above are fulfilled, or such later time and/or date as the Company and the Vendor may agree.

If the conditions to the Subscription are not fulfilled on or prior to 28 October 2009 (or such later date as may be agreed by the Vendor and the Company in writing), the Subscription Agreement shall terminate and none of the parties thereto shall have any claim against any other in respect of the Subscription save in respect of any antecedent breach.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

Assuming the Placing Shares are fully placed under the Placing, the shareholding of the Vendor in the Company (a) immediately before the Placing; (b) immediately after the Placing but before the Subscription; and (c) immediately after the Placing and the Subscription are as follows:

Shareholders	Existing Shareholding		Immediately after the Placing but before the Subscription		Immediately after the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor (Note 1)	468,600,000	21.50	126,330,000	5.80	468,600,000	18.58
Climax Park Limited (Note 2)	163,550,000	7.50	163,550,000	7.50	163,550,000	6.48
Sub-total:	<u>632,150,000</u>	<u>29.00</u>	<u>289,880,000</u>	<u>13.30</u>	<u>632,150,000</u>	<u>25.06</u>
Mr. Wong Wa Tak, a Director (Note 3)	1,600,000	0.07	1,600,000	0.07	1,600,000	0.06
Places	–	–	342,270,000	15.70	342,270,000	13.57
Public	<u>1,546,243,158</u>	<u>70.93</u>	<u>1,546,243,158</u>	<u>70.93</u>	<u>1,546,243,158</u>	<u>61.31</u>
Total:	<u><u>2,179,993,158</u></u>	<u><u>100.00</u></u>	<u><u>2,179,993,158</u></u>	<u><u>100.00</u></u>	<u><u>2,522,263,158</u></u>	<u><u>100.00</u></u>

Notes:

1. The Vendor currently holds 468,600,000 Shares of the Company.
2. Climax Park Limited, a company incorporated in the British Virgin Islands, was wholly owned by the Vendor. The Vendor was indirectly interested in 163,550,000 Shares held in the name of Climax Park Limited by virtue of his interests therein.
3. The number of existing Shares held by the Shareholders mentioned in the above table is based on the register of members of the Company as at 14 October 2009.

As disclosed in the above shareholding table, immediately after the completion of the Placing as well as immediately after the completion of the Placing and the Subscription, a minimum of 25% of the then issued share capital of the Company will be in public hands.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS:

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to increase working capital of the Group and to enhance the capital base of the Company for financing any possible acquisition plan of the Group in the future. The Directors (including the independent non-executive Directors) consider the terms of each of the Placing Agreement and the Subscription Agreement to be fair and reasonable and are in the best interests of the Company, as far as the Company and the Shareholders as a whole are concerned.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Subscription are estimated to be approximately HK\$85.6 million;
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, from the Subscription are estimated to be approximately HK\$84.2 million; and
- (iii) the net price per Subscription Share is approximately HK\$0.246.

The Company intends to retain the net proceeds as general working capital of the Group and to finance any possible acquisition plan of the Group in the future.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in investment in energy and natural resources related projects and investment in production of raw materials for power generation and construction of highways in the PRC and other countries.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below and other than the placing under the placing agreement dated 19 September 2008 which has lapsed on 15 October 2008, the Group has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

Announcement date	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
15 October 2008	Placing of 257,230,000 Shares at a price of HK\$0.033 per placing shares	Approximately HK\$7.789 million	Will be applied as general working capital of the Group and/or funding for future investment	Approximately HK\$7.789 million was utilized as working capital of the Company

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended from 9:33 a.m. on 14 October 2009 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 15 October 2009.

DEFINITIONS

The following defined terms are used in this announcement:

“associates”	having the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	means a day (excluding a Saturday) on which banks generally are open for business in Hong Kong
“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 persons”	having the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leung” or the “Vendor”	Mr. Leung Ngai Man, an executive Director and a substantial shareholder of the Company
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	DBS Asia Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities) and type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
“Placing Agreement”	a placing agreement dated 14 October 2009 and made among the Vendor, the Company and the Placing Agent in relation to the Placing
“Placing Shares”	up to a total of 342,270,000 Shares beneficially owned by the Vendor to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Subscription Agreement

“Subscription Agreement”	a subscription agreement dated 14 October 2009 and made between the Vendor and the Company
“Subscription Shares”	up to a total of 342,270,000 new Shares, the exact number of which shall be equal to the number of Placing Shares actually placed out under the Placing
“substantial shareholders”	having the meaning ascribed thereto in the Listing Rules
%	per cent.

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

Hong Kong, 14 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.