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SINO PROSPER STATE GOLD RESOURCES HOLDINGS LIMITED

中盈國金資源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

FRAMEWORK AGREEMENT RELATING TO A POSSIBLE ACQUISITION

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

FRAMEWORK AGREEMENT RELATING TO THE POSSIBLE ACQUISITION

On 7 April 2011, the Intended Purchaser and the Intended Vendor entered into the Framework Agreement, pursuant to which the parties expressed their common intent of sale and purchase of the whole or part of 85% equity-holdings held by the Intended Vendor in the Target Company. The Target Company is the holder of a mining licence and an exploration licence in respect of silver and manganese mines located in Zhuolu County, Hebei province (河北省涿鹿縣), the PRC. Based on a geological report prepared in May 2010 and supplied by the Intended Vendor, the relevant mines contain mineral reserves of approximately 422 tons of silver and 129,685 tons of manganese, whose total selection and refining recovery rate (選冶總回收率) is 75%. The Target Company has been principally engaged in the business of exploration and mining of silver and manganese minerals.

The Framework Agreement is generally non-legally binding except for certain provisions relating to earnest money, exclusivity, confidentiality and the governing law of the Framework Agreement.

If the Possible Acquisition materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

As the Framework Agreement may or may not lead to the entering into and/or completion of any formal agreement, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

THE FRAMEWORK AGREEMENT

On 7 April 2011, the Intended Purchaser and the Intended Vendor entered into the non-legally binding Framework Agreement in relation to the Possible Acquisition.

Date of the Framework Agreement: 7 April 2011

Parties to the Framework Agreement:

The Intended Purchaser: Sino Prosper State Gold HK Limited (中盈國金香港有限公司), a wholly-owned subsidiary of the Company

The Intended Vendor: a limited liability company incorporated in the PRC and, to the best knowledge of the Directors after making all reasonable enquiries, the Intended Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

After the signing of the Framework Agreement, the Intended Vendor and the Intended Purchaser will enter into good faith negotiation for the Formal Agreement and other documentation and matters relating to the Possible Acquisition. The provisions of the Framework Agreement shall form the basis for the preparation of such documents.

Equity-holdings to be acquired

The Intended Vendor is currently holder of 85% of the registered capital in the Target Company. Under the Framework Agreement, the Intended Vendor and the Intended Purchaser expressed their common intent to sell and purchase the whole or part of 85% equity-holdings held by the Intended Vendor in the Target Company, provided that any equity-holdings so acquired will allow the Intended Purchaser to enjoy the status of a controlling equity-holder.

Consideration

Under the Framework Agreement, the percentage equity-holdings of the Target Company to be acquired will be determined with reference to certain reports to be issued by professional advisers retained by the Intended Purchaser, as well as the outcome of the Intended Purchaser's due diligence review of the Target Company. Such percentage equity-holdings and the Consideration and the related terms of payment (including deposits (if any)) will be set out in the Formal Agreement (if entered into).

Under the Framework Agreement, earnest money in the sum of RMB3,000,000 has been agreed to be paid by the Intended Purchaser to the Intended Vendor within ten days from the signing of the Framework Agreement. If the Formal Agreement is subsequently entered into, the earnest money will form part of the Consideration and will be non-refundable. If however the Intended Vendor and the

Intended Purchaser do not enter into the Formal Agreement, the earnest money is agreed to be refunded to the Intended Purchaser (or its nominee) within ten days from the date of the Intended Purchaser's notice being given to the Intended Vendor that the Intended Purchaser will not enter into any Formal Agreement.

Steps to be taken by the Intended Purchaser after the signing of the Framework Agreement but prior to the entering into of the Formal Agreement

After signing the Framework Agreement but prior to entering into the Formal Agreement (if so entered into), the Intended Purchaser will, among other matters, arrange for the following:

- (a) to appoint a qualified technical adviser in the PRC to review the reserves report and mineral testing report supplied by the Intended Vendor, which concern the mines in respect of which mining and exploration licences are held by the Target Company;
- (b) to appoint Changchun Gold Design Institute* (長春黃金設計院) to prepare a feasibility report on the above mines; and
- (c) to appoint legal and financial advisers to conduct due diligence reviews on the Target Company.

Exclusivity

Under the Framework Agreement, the Intended Vendor has granted an exclusive right to the Intended Purchaser to negotiate and enter into the Formal Agreement for the Possible Acquisition for a period of three months from the date of signing of the Framework Agreement. During such period, the Intended Vendor has undertaken not to negotiate or enter into any agreement with any third parties regarding the disposal of the equity-holdings of the Target Company.

Non legally-binding effect

Except for the provisions on the earnest money, exclusivity, confidentiality and the governing law of the Framework Agreement, the other terms of the Framework Agreement do not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition will be subject to the signing and (if so signed) completion of the Formal Agreement.

Source of fundings

The consideration for the Possible Acquisition is still subject to negotiation and final determination. The Company currently anticipates that the acquisition can be funded from its existing cash resources and internally generated cash flow, but is examining the possibility of raising additional funds for the Possible Acquisition as well as for general corporate purposes, if market conditions are favourable. No agreements, letters of intent or memorandum of understanding in connection with any fund-raising activities have been entered into up to the date of this announcement.

If any fund-raising activity proceeds and any agreement for it is entered into, the Company will comply with its disclosure requirements and make announcements in accordance with the Listing Rules.

INFORMATION ON THE TARGET COMPANY

As at the date of this Announcement, the Target Company is the holder of a mining licence and an exploration licence in respect of silver and manganese mines located in Zhuolu County, Hebei Province (河北省涿鹿縣), the PRC. Based on a geological report prepared in May 2010 and supplied by the Intended Vendor, the said mines contains mineral reserves of approximately 422 tons of silver and 129,685 tons of manganese, whose total selection and refining recovery rate (選冶總回收率) is 75%.

GENERAL

If the Possible Acquisition materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

As the Framework Agreement may or may not lead to the entering into and/or completion of any formal agreement, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context otherwise requires, have the following meanings:

“Board”	the board of Directors
“Company”	Sino Prosper State Gold Resources Holdings Limited (中盈國金資源控股有限公司), a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	consideration payable by the Intended Purchaser to the Intended Vendor for the Possible Acquisition (if it proceeds)
“Director(s)”	the director(s) of the Company

“Formal Agreement”	a formal legally-binding sale and purchase agreement to be entered into between the Intended Purchaser and the Intended Vendor, if the parties subsequently agree to the terms of the Possible Acquisition
“Framework Agreement”	the framework agreement dated 7 April 2011 and entered into between the Intended Purchaser and the Intended Vendor in relation to the Possible Acquisition, which is generally non-legally binding save for certain provisions as mentioned in the main text of this announcement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) which is(are) not a connected person of the Company and is independent of the Company and its connected person
“Intended Purchaser”	Sino Prosper State Gold HK Limited (中盈國金香港有限公司), a company incorporated in Hong Kong, and a wholly-owned subsidiary of the Company
“Intended Vendor”	a limited liability company incorporated in the PRC, which is (and whose ultimate beneficial owner(s) are) an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Possible Acquisition”	the proposed acquisition of 85% equity-holdings of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a limited liability company incorporated in the PRC, which is an Independent Third Party
%	per cent

By the order of the Board
Sino Prosper State Gold Resources Holdings Limited
Sung Kin Man
Chief Executive Officer and Executive Director

Hong Kong, 8 April 2011

As at the date of this announcement, the Board comprises Mr. Leung Ngai Man, Mr. Sung Kin Man, Mr. Ng Kwok Chu, Winfield and Mr. Yeung Kit as executive Directors and Dr. Leung Wai Cheung, Mr. Cai Wei Lun and Mr. Zhang Qingkui as independent non-executive Directors.

* *For identification purposes only*