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If you are in any doubt as to any aspect of this circular or as to the action to be immediately taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Sino Prosper State Gold Resources Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- 1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,**
- 2. RE-ELECTION OF RETIRING DIRECTORS**
- 3. NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Boardroom V, G/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong at 1:00 p.m. on 30 August 2011 is set out on pages 14 to 17 of this circular.

Whether or not you intend to attend the annual general meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the annual general meeting or any adjournment thereof to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

29 July 2011

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at Boardroom V, G/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong at 1:00 p.m. on 30 August 2011, the notice of which is set out on pages 14 to 17 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by the then sole Shareholder on 25 April 2002, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Sino Prosper State Gold Resources Holdings Limited 中盈國金資源控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the Company’s power to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting

DEFINITIONS

“Latest Practicable Date”	22 July 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to enable them to repurchase Shares on the Stock Exchange, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Leung Ngai Man (*Chairman*)
Sung Kin Man
Yeung Kit
Ng Kwok Chu, Winfield

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Leung Wai Cheung
Cai Wei Lun
Zhang Qingkui

***Head office and principal place of
business in Hong Kong:***

Units 1702-04,
17/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

29 July 2011

*To the Shareholders and, for information only,
the holders of outstanding options of the Company*

Dear Sir/Madam,

- 1. PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- 2. RE-ELECTION OF RETIRING DIRECTORS**
- 3. NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to: (a) the proposed grant of each of the Issue Mandate, Repurchase Mandate and the Extension Mandate; and (b) the proposed re-election of each of the retiring Directors.

LETTER FROM THE BOARD

GRANT OF ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

Pursuant to the ordinary resolutions passed by the then Shareholders on 30 August 2010, the Directors were granted (a) a general unconditional mandate to allot, issue or otherwise deal with the Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the said resolution; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the said resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to (b) above.

The above mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, the following ordinary resolutions, among other matters, will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution. On the basis of 7,859,844,971 Shares in issue as at the Latest Practicable Date and assuming that no Shares will be issued or repurchased prior to the Annual General Meeting, the maximum number of Shares to be allotted and issued pursuant to the Issue Mandate will be 1,571,968,994;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

Subject to the approval of the above proposals by Shareholders at the Annual General Meeting, the Issue Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(A) of the Articles, Messrs Leung Wai Cheung (an independent non-executive Director) and Cai Wei Lun (an independent non-executive Director) will retire from their office of Directors by rotation and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Mr Zhang Qingkui (“Mr Zhang”) was appointed by the Board as an independent non-executive Director on 31 January 2011. In accordance with Article 112 of the Articles, Mr Zhang will hold office until (and will retire at) the Annual General Meeting. Being eligible, Mr Zhang offers himself for re-election as a Director at the Annual General Meeting.

Biographical information of Messrs Leung Wai Cheung, Cai Wei Lun and Zhang Qingkui is set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

Set out on page 14 to 17 of this circular is a notice convening the Annual General Meeting at which resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate, Repurchase Mandate and Extension Mandate; and
- (b) the re-election of retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all proposed resolutions put to Shareholders at the Annual General Meeting will be taken by poll.

RECOMMENDATION

Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to (a) the proposed grant of each of the Issue Mandate, Repurchase Mandate and Extension Mandate; and (b) the proposed re-election of each of the retiring Directors. The Board considers that all these proposed resolutions are in the best interest of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

MISCELLANEOUS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
Sino Prosper State Gold Resources Holdings Limited
Leung Ngai Man
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with the requisite information as to the proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing are on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which shares of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 7,859,844,971 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 785,984,497 Shares, representing not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the Latest Practicable Date.

Notwithstanding the above, the Company will only be allowed to repurchase under Repurchase Mandate a maximum number of Shares which represents not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that seeking the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law, other applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of the profits of the Company

or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital and/or the gearing position as disclosed in the audited consolidated financial statements of the Company for the year ended 31 March 2011 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
July	0.193	0.160
August	0.305	0.179
September	0.480	0.270
October	0.495	0.365
November	0.580	0.400
December	0.510	0.405
2011		
January	0.510	0.380
February	0.460	0.375
March	0.490	0.375
April	0.500	0.395
May	0.430	0.209
June	0.285	0.229
July (including and up to the Latest Practicable Date)	0.265	0.175

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles.

8. CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on the Company exercising the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, there were six substantial Shareholders (as defined in the SFO) of the Company, namely:

- (i) Mr Leung Ngai Man was the owner of (or interested in) approximately 19.15% of the then issued Shares;
- (ii) Mr Teall Nathaniel Edds, through Orchard Capital Partners Limited (a company incorporated in the British Virgin Islands, 33% of the issued share capital of which is indirectly controlled by Mr Edds Teall Nathaniel) was the owner of (or interested in) approximately 7.42% of the then issued Shares;
- (iii) Orchards Capital Partners Limited was the owner of (or interested in) approximately 7.42% of the then issued Shares;
- (iv) Mr Stuart Michael Wilson, through Orchard Capital Partners Limited (33% of the issued share capital of which is owned by Mr Stuart Michael Wilson) was the owner of (or interested in) approximately 7.42% of the then issued Shares;

- (v) HSBC Global Asset Management (Hong Kong) Limited, a company incorporated in Hong Kong, was the owner of (or interested in) approximately 6.86% of the then issued Shares; and
- (vi) FIL Limited, a company incorporated in Bermuda, was the owner of (or interested in) approximately 6.82% of the then issued Shares.

On the basis of 7,859,844,971 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be allotted and issued or repurchased before the Annual General Meeting, if the Repurchase Mandate are exercised in full, the percentage increase of Mr Leung Ngai Man, Mr Teall Nathaniel Edds, Orchards Capital Partners Limited, Mr Stuart Michael Wilson, HSBC Global Asset Management (Hong Kong) Limited, and FIL Limited in shareholdings in the Shares will amount to approximately 21.28%, 8.25%, 8.25%, 8.25%, 7.63%, and 7.58% respectively. In such circumstances, none of the substantial Shareholders would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25%.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company did not repurchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The brief biographical information of the retiring Directors eligible for re-election at the Annual General Meeting is set out below:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr LEUNG Wai Cheung (“Dr Leung”), 46, joined the Group in 2004 and is an Independent Non-Executive Director. Dr Leung is currently CFO of FlexSystem Holdings Ltd. (stock code: 8050), listed on GEM and Independent non-Executive Director of Hong Kong-listed Mobicon Group Ltd. (stock code: 1213). Dr Leung is also an Independent Non-Executive Director of China Netcom Technology Holdings Limited (formerly known as China Metal Resources Holdings Limited) (stock code: 8071), listed on GEM. Dr Leung was the Independent Non-Executive Director of Hong Kong listed Wing Hing International (Holdings) Ltd. (stock code: 0621) and United Gene High-Tech Group Ltd. (stock code: 0399). Dr Leung is a qualified accountant and chartered secretary. He graduated from Curtin University with Bachelor in Commerce Degree, majoring in accounting, and has a postgraduate diploma in Corporate Administration, a Master of Professional Accounting Degree from Hong Kong Polytechnic University, a Doctor of Philosophy in Management from Empresarial University of Costa Rica, and a Doctor of Education in educational management from Bulacan State University. He is an associate member of Hong Kong Institute of Certified Public Accountants, CPA Australia, Institute of Chartered Accountants in England & Wales, Institute of Chartered Secretaries and Administrators, Hong Kong Institute of Secretaries, Taxation Institute of Hong Kong and a fellow member of the Association of Chartered Certified Accountants. Dr Leung is a professor of the European University and a visiting lecturer of Open University of Hong Kong (LiPACE) and University of Hong Kong (SPACE).

Dr Leung has signed an appointment letter with the Company on 1 April 2010 for an initial term of two years commencing from 1 April 2010, which would then be renewed thereafter on terms to be mutually agreed, unless terminated by either party giving not less than one month’s notice in writing to the other party. Dr Leung is subject to the rotational and retirement requirements under the Articles. As at the Latest Practicable Date, Dr Leung was entitled to a director’s fee of HK\$10,000 per month during his term of appointment. Such fee was determined with reference to his roles and responsibilities of the Group and the prevailing market conditions.

Dr Leung did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save for Mr Leung Ngai Man, Mr Ng Kwok Chu, Winfield, Mr Cai Wei Lun, and Dr Leung Wai Cheung who assumed common directorship in both the Company and China Netcom Technology Holdings Limited, Dr Leung did not have any relationship with any other Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

There is no information which is discloseable nor is/was Dr Leung involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Dr Leung that need to be brought to the attention of the Shareholders.

Mr CAI Wei Lun (“Mr Cai”), 56, joined the Group in 2004 and was appointed as an Independent Non-Executive Director in 2004. Mr Cai has over two decades of experience in China property. Mr. Cai is also an Independent Non-Executive Director of China Netcom Technology Holdings Limited (formerly known as China Metal Resources Holdings Limited) (stock code: 8071), listed on GEM.

Mr Cai has signed an appointment letter with the Company on 1 April 2010 for an initial term of two years commencing from 1 April 2010, which would then be renewed thereafter on terms to be mutually agreed, unless terminated by either party giving not less than one month’s notice in writing to the other party. Mr Cai is subject to the rotational and retirement requirements under the Articles. As at the Latest Practicable Date, Mr Cai was not entitled to any director’s remuneration.

As at the Latest Practicable Date, Mr Cai was interested in options granted to him by the Company under its share option scheme, carrying rights to subscribe for up to 3,400,000 Shares at the exercise price of HK\$1.460 per Share during the exercise period from 8 May 2006 to 7 May 2016. Save as aforesaid, Mr Cai did not have any other interest in the Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save for Mr Leung Ngai Man, Mr Ng Kwok Chu, Winfield and Mr Cai Wei Lun who assumed common directorship in both the Company and China Netcom Technology Holdings Limited, Mr Cai did not have any relationship with any other Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

There is no information which is discloseable nor is/was Mr Cai involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr Cai that need to be brought to the attention of the Shareholders.

Mr ZHANG Qingkui (“Mr Zhang”), 43, joined the Group in 2011 and was appointed as an Independent Non-Executive Director in 2011. Mr. Zhang graduated from the Faculty of Geology of China University of Mining and Technology in 1991 with a bachelor’s degree in water engineering and graduated from China University of Geosciences in 2004 with a postgraduate degree in geology. He has successively obtained the titles of and worked as assistant geology engineer, engineer and senior engineer. From 1995 to now, Mr Zhang has worked with Liaoning Provincial Institute of Geological Exploration, mainly involving in the geological exploration of mines. In 2000, Mr Zhang was in charge of the state resource compensation fee project “General Survey of Liangtun Gold Mine in Gaixian, Liaoning Province*” (《遼寧省蓋縣梁屯金礦普查》) and discovered Sidaogou gold mine. Such gold mine is dominated by gabbros and represents the first discovery in Liaoning, thereby making contribution to the local economy. In 2004, Mr Zhang established the project department for market expansion in active response to the request of Liaoning Provincial Institute of Geological Exploration and cooperated with the local mining company, taking charge of many general survey and detailed survey projects. In 2008, Mr Zhang was in charge of the “Four-Regional Geological Survey Project of 1314.4 Highlands in Inner Mongolia*” (內蒙古1314.4高地等四幅區域地質調查項目) organized by China Geological Survey. Such project is a metallogenic belt survey project in the Greater Khingan Range and satisfactory initial achievements have been made.

Mr Zhang has signed an appointment letter with the Company on 31 January 2011 for an initial term of two years commencing from 31 January 2011, which would then be renewed thereafter on terms to be mutually agreed, unless terminated by either party giving not less than one month’s notice in writing to the other party. Mr Zhang is subject to the rotational and retirement requirements under the Articles. Pursuant to Article 112 of the Articles, his term shall expire at the Annual General Meeting. As at the Latest Practicable Date, Mr Zhang was not entitled to any director’s remuneration.

Mr Zhang had no other interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is no information which is discloseable nor is/was Mr Zhang involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr Zhang that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Sino Prosper State Gold Resources Holdings Limited (“**Company**”) will be held at Boardroom V, G/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong at 1:00 p.m. on 30 August 2011 to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (“**Directors**”) and auditors (“**Auditors**”) of the Company for the year ended 31 March 2011;
2. to re-elect each retiring Director (namely, Messrs Leung Wai Cheung, Cai Wei Lun and Zhang Qingkui) (each as a separate resolution) and to authorise the board of Directors (which may be further delegated to its duly authorised committee) to fix their remuneration and to authorise the board of directors of the Company to fill vacancies on the board;
3. to re-appoint HLB Hodgson Impey Cheng as the Auditors of the Company and to authorise the board of Directors to fix their remuneration;

and as special business, to consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or otherwise deal with the additional shares (“**Shares**”) of HK\$0.01 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares), which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of any options granted under the share option schemes or similar arrangement of the Company adopted from time to time;
 - (iii) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles**”) of the Company and other relevant regulations; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in the general meeting.

NOTICE OF THE ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (“**Director**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares (“**Shares**”) of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law to be held; and
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in the general meeting.”

NOTICE OF THE ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors of the Company to allot, issue or otherwise deal with additional shares of the Company pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to paragraph (a) of resolution numbered 5 above.”

By order of the Board
Sino Prosper State Gold Resources Holdings Limited
Leung Ngai Man
Chairman

Hong Kong, 29 July 2011

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

***Head office and principal place of
business in Hong Kong:***

Units 1702-04,
17/F, Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

Notes:

- 1 A shareholder entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint one proxy or, if he is the holder of two or more shares (“Shares”) of the Company, more than one proxy to attend and, subject to the provisions of the articles of association (“Articles”) of the Company, vote in his stead. A proxy need not be a shareholder.
- 2 To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the branch registrar and transfer agent of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East Wanchai, Hong Kong not later than 48 hours before the time of the Meeting or any adjourned meeting.
- 3 In relation to proposed resolution numbered 2, Messrs Leung Wai Cheung, Zhang Qingkui, and Cai Wei Lun will retire from their office of directors (“Directors”) of the Company at the Meeting pursuant to the Articles, being eligible, offer themselves for re-election.
- 4 In relation to proposed resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice forms part.
- 5 Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 6 In the case of joint registered holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto or if more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.