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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)

LAPSE OF MAJOR TRANSACTION RELATING TO THE INVESTMENT IN THE RENEWABLE FUEL BUSINESS

Reference is made to the Announcement and the announcements of the Company dated 27 June 2006, 31 July 2006 and 28 September 2006 respectively.

In view of the uncertain investment environment in Thailand, no Definitive Agreements have been entered into and the Heads of Agreement therefore lapsed after 15 November 2006.

Reference is made to the announcement of the Company dated 6 June 2006 (the “Announcement”) in relation to the major transaction relating to the proposed investment in the renewable fuel business in Thailand and the announcements of the Company dated 27 June 2006, 31 July 2006 and 28 September 2006 respectively, in relation to delay in despatch of circular. Terms used herein shall have the same meanings as defined in the Announcement, unless the context otherwise requires.

Lapse of the Heads of Agreement

As disclosed in the Announcement, SPE, Picnic Public and Picnic Ethanol entered into the Heads of Agreement on 30 May 2006, pursuant to which SPE and Picnic Public agree to jointly develop the Ethanol Project Phase 1 to be executed by Picnic Ethanol. SPE shall subscribe 51% of the total issued and outstanding shares of Picnic Ethanol on a fully diluted basis after the Capital Increase. The Subscription is conditional and subject to the terms and conditions of the Heads of Agreement.

Pursuant to the Heads of Agreement, Picnic Public and Picnic Ethanol shall enter into the Definitive Agreements within 60 days from the date of the Heads of Agreement. The completion of the Subscription and the transactions contemplated in the Heads of Agreement will be subject to the signing of the Definitive Agreements by the parties, the satisfaction of the respective conditions precedent stated in the Heads of Agreement and in the Definitive Agreements as well as the Shareholders’ approval at the EGM. Further to the announcement of the Company dated 28 September 2006, the deadline for despatch of circular has been extended to no later than 30

November 2006, the latest time for the entering into of the Definitive Agreements has been extended to 15 November 2006, and the deadline for SPE to complete its due diligence on, inter alia, Picnic Ethanol has been extended to 30 October 2006.

Since the signing of the Heads of Agreement, SPE has been engaging in negotiations with the potential co-investor(s) and conducting the due diligence on Picnic Ethanol, however, the recent coup in Thailand have caused the Company and potential co-investor(s) to be quite concerned about Thailand's investment environment. As at the date of this announcement, the parties involved are still observing the impact of the coup on the Thai economy. In view of the uncertain investment environment in Thailand, no Definitive Agreements have been entered into and despite the continuing negotiations between the parties during the intervening period, the parties to the Heads of Agreement are not able to agree to enter into another addendum to further extend the deadlines under the Heads of Agreement and the Heads of Agreement therefore lapsed after 15 November 2006.

The Board confirms that the lapse of the Heads of Agreement will not have any material adverse effect on the operation and financial position of the Company.

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

Hong Kong, 30 November 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, Mr. Gao Shi Kui is the non-executive Director, and Mr. Chan Sing Fai, Mr. Cai Wei Lun and Mr. Leung Wai Cheung are the independent non-executive Directors.

** for identification purpose only*

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