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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: 00766)

### **PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

#### **PROPOSED SHARE CONSOLIDATION**

The Company proposes to implement the Share Consolidation pursuant to which every ten (10) Shares in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share.

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 Consolidated Shares.

#### **CHANGE IN BOARD LOT SIZE**

The Shares are currently traded on the Stock Exchange in board lot size of 10,000 Shares. The Company proposes that subject to and upon the Share Consolidation becoming effective, the board lot size be changed from 10,000 Shares to 5,000 Consolidated Shares.

#### **GENERAL**

The Share Consolidation is subject to the Shareholders' approval at the EGM. A circular containing further information on the Share Consolidation and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

#### **PROPOSED SHARE CONSOLIDATION**

The Company proposes to put forward for approval by the Shareholders the Share Consolidation pursuant to which every ten (10) Shares in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share. Fractional Consolidated Shares will be disregarded and

will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

### **Effect of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 comprising 20,000,000,000 Shares of HK\$0.01 each, of which 7,757,874,971 Shares have been issued and fully paid or credited as fully paid. Upon the Share Consolidation taking effect and on the basis that the Company does not allot and issue any further Shares prior thereto, the authorised share capital of the Company will remain at HK\$200,000,000 but will comprise 2,000,000,000 Consolidated Shares of HK\$0.10 each, of which 775,787,497 Consolidated Shares of HK\$0.10 each will be in issue.

The Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of the necessary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares.

### **Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

## **CHANGE IN BOARD LOT SIZE**

The Shares are currently traded on the Stock Exchange in board lot size of 10,000 Shares. The Company proposes that subject to and upon the Share Consolidation becoming effective, the board lot size be changed from 10,000 Shares to 5,000 Consolidated Shares.

## **EXCHANGE OF SHARE CERTIFICATES**

Subject to the Share Consolidation becoming effective, which is expected to be on 27 February 2012, Shareholders may, during the period from 27 February 2012 to 3 April 2012 (both days inclusive), submit share certificates, which are light blue in color, for the existing Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for new share certificates, which are dark blue in color, for the Consolidated Shares. Thereafter, share certificates for existing Shares will continue to be good evidence of legal title but will cease to be valid for dealing, trading and settlement purposes after the parallel trading in the Consolidated Shares ends and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher.

## **ARRANGEMENT ON ODD LOT TRADING**

In order to facilitate the trading of odd lots of the Shares or the Consolidated Shares (if applicable) arising from the change in board lot size of the Shares and the Share Consolidation, the Company will appoint Astrum Capital Management Limited to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Shares or the Consolidated Shares (if applicable) on a best effort basis for the period from 12 March 2012 to 30 March 2012 (both days inclusive).

Holders of the Shares or the Consolidated Shares (if applicable) in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or the Consolidated Shares (if applicable) or to top-up their odd lots to a full new board lot may directly or through their broker contact Ms. Amy Leung of Astrum Capital Management Limited, at Unit 1807, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong (Telephone number: (852) 3665 8112) during the aforesaid period. Holders of the Shares or the Consolidated Shares (if applicable) in odd lots should note that the matching of the sale and purchase of odd lots of the Shares or the Consolidated Shares (if applicable) is on a best effort basis and successful matching of the sale and purchase of odd lots of the Shares or the Consolidated Shares (if applicable) is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

## EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation and change in board lot size:

<b>Event</b>	<b>2012</b>
Despatch of circular with notice of EGM .....	Wednesday, 8 February
Latest time for lodging proxy form .....	10:00 a.m. Wednesday, 22 February
Date of EGM .....	10:00 a.m. Friday, 24 February
Announcement on results of EGM.....	Friday, 24 February
Effective date for the Share Consolidation.....	Monday, 27 February
Commencement of dealings in Consolidated Shares .....	9:00 a.m. Monday, 27 February
First day for free exchange of existing share certificates for new share certificates .....	Monday, 27 February
Original counter for trading in Shares in board lots of 10,000 Shares temporarily closes .....	9:00 a.m. Monday, 27 February
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens .....	9:00 a.m. Monday, 27 February
Original counter for trading in Consolidated Shares in new board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens .....	9:00 a.m. Monday, 12 March
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates commences .....	9:00 a.m. Monday, 12 March
Designated broker starts to stand in the market to provide matching services for odd lots of Shares and the Consolidated Shares (if applicable) .....	Monday, 12 March

Temporary counter for trading in Consolidated  
Shares in board lots of 1,000 Consolidated  
Shares (in the form of existing share certificates) closes . . . . . 4:00 p.m. Friday, 30 March

Parallel trading in Consolidated Shares in the  
form of new share certificates and  
existing share certificates closes . . . . . Friday, 30 March

Designated broker ceases to stand in the market  
to provide matching services for odd lots of the Shares  
and the Consolidated Shares (if applicable) . . . . . Friday, 30 March

Last day for free exchange of existing  
share certificates for new share certificates . . . . . Tuesday, 3 April

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates and times specified in this announcement are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

#### **ADJUSTMENT IN RELATION TO THE OUTSTANDING SHARE OPTIONS**

The Share Consolidation may cause adjustments to the subscription prices and/or the number of share options pursuant to the terms and conditions of the Share Option Scheme. As at the date of this announcement, there are outstanding options granted under the Share Option Scheme to subscribe for 163,600,000 new Shares. Save for the above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the subscription price of the outstanding share options in accordance with the terms of the Share Option Scheme and will inform the holder(s) of options of such adjustments if any.

Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

#### **REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

It is expected that the Share Consolidation would bring about a corresponding increase in the trading price of the Consolidated Shares. It is also expected that the change in board lot size would increase the trading amount for each board lot. As a result, the Share Consolidation and change in board lot size would enable the Company to comply with the trading requirements under the Listing Rules. Accordingly, the Board is of the view that the Share Consolidation and change in board lot size are in the interest of the Company and the Shareholders as a whole.

## **EGM AND CIRCULAR**

The Share Consolidation is subject to the Shareholders' approval at the EGM and no Shareholders are required to abstain from voting on the resolution(s) in relation to the Share Consolidation. A circular containing further details of the Share Consolidation and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

## **TERMS USED IN THIS ANNOUNCEMENT**

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

“Board”	the board of Directors
“Company”	Sino Prosper State Gold Resources 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
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten issued and unissued Shares into one Consolidated Share
“Share Option Scheme”	the share option scheme adopted by the Company on 25 April 2002

“Shareholder(s)” holder(s) of Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**Sino Prosper State Gold Resources Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

Hong Kong, 18 January 2012

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