
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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. RE-ELECTION OF DIRECTORS**
- 2. NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company to be held at Units 1702-04, 17th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 10 a.m. on 5 February 2013 is set out on pages 9 to 10 of this circular.

Whether or not you intend to attend the extraordinary 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 extraordinary 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 extraordinary general meeting or any adjournment thereof should you so wish.

16 January 2013

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DEFINITIONS

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

“2012 AGM”	the annual general meeting of the Company held on 24 September 2012
“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
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held at Units 1702-04, 17th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 10 a.m. on 5 February 2013, the notice of which is set out on pages 9 to 10 of this circular, and any adjournment thereof
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED”	independent non-executive director
“Latest Practicable Date”	11 January 2013, 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
“Mr. Leung”	Mr. Leung Ngai Man, the Chairman of the Board and an executive Director, whose brief biographical details are set out in the Appendix to this circular

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“Mr. Ng”	Mr. Ng Kwok Chu, Winfield, an executive Director, whose brief biographical details are set out in the Appendix to this circular
“Mr. Niu”	Mr. Niu Zihui, an INED, whose brief biographical details are set out in the Appendix to this circular
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 (*Chief Executive*)
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:

Niu Zhihui
Cai Wei Lun
Zhang Qing Kui

*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

16 January 2013

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

Dear Sir/Madam,

- 1. RE-ELECTION OF DIRECTORS**
- 2. NOTICE OF EGM**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM and to give you notice of EGM. Resolutions to be proposed at the Extraordinary General Meeting are those relating to the proposed re-election of each of Mr. Leung, Mr. Ng and Mr. Niu.

BACKGROUND

Mr. Leung and Mr. Ng were subject to retirement from their office of Directors upon conclusion of the 2012 AGM. They offered themselves for re-election at the 2012 AGM, but such proposed resolutions were not carried. As at 24 September 2012 (being the date of the 2012 AGM), the total number of Shares in issue is 775,787,497. In respect of the above resolutions, voting rights attaching to a total of 446,604,299 Shares were cast, of the number of Shares which were cast in favour of the proposed re-election of Mr. Leung and

LETTER FROM THE BOARD

Mr. Ng as Directors is 211,642,000 (representing about 47.4% of the total number of votes cast), while those which were cast against their proposed re-election is 234,962,299 (representing about 47.4% of the total number of votes cast). In accordance with the Articles, Mr. Leung and Mr. Ng retired from their offices of Directors upon conclusion of the AGM.

Following the AGM, the Board held a meeting on the same day to consider the implication of the matter. At such meeting, it was resolved by the Board to exercise its power under the Articles to appoint Mr. Leung and Mr. Ng respectively as executive Directors with effect from 24 September 2012, in order (among other factors) to ensure management continuity of the Group and the business and various projects of the Group could continue to be supervised by each of them.

PROPOSED RE-ELECTION OF DIRECTORS

Article 112 of the Articles provides (among other requirements) that any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting.

Mr. Leung and Mr. Ng were appointed as Directors by the Board with effect from 24 September 2012. Mr. Niu was appointed by the Board as an INED with effect from 6 November 2012.

Under the said Article 112, all of Mr. Leung, Mr. Ng and Mr. Niu will hold office until (and will retire upon) conclusion of the EGM. Being eligible, each of the said three Directors offers himself for re-election as a Director at the EGM.

Biographical information of the said three Directors is set out in the Appendix to this circular.

ACTIONS TO BE TAKEN

Set out on page 9 to 10 of this circular is a notice convening the EGM at which resolutions will be proposed to approve the re-election of the said three Directors.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all proposed resolutions put to Shareholders at the EGM will be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. After the EGM, the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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RECOMMENDATIONS

Resolutions to be proposed at the Extraordinary General Meeting are ordinary resolutions relating to the proposed re-election of each of the retiring Directors (i.e. Mr. Leung, Mr. Ng and Mr. Niu).

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 Extraordinary General Meeting. In particular, the Board considers that the re-election of Mr. Leung will be in the best interest of the Company for (among others) the following reasons:

- (a) Mr. Leung is the founder of the Group and a substantial Shareholder. He has been an executive Director since 2001. He is also a director of all the principal subsidiaries of the Company and he is considered as a figure-head of the Group.
- (b) Mr. Leung has extensive network and has been representing the Group to contact business partners and government officials. He has (among other functions) been representing the Group to maintain high-level key relationships with governmental officials in the PRC, in which the Group's businesses were based.
- (c) Two of the major operating subsidiaries (namely, Aohanqi Xinrui En Industry Co., Ltd. ("**AHQ Co**") and Heilongjiang Zhongyi Weiye Economic & Trade Co., Ltd. ("**HLJ Co**")) are incorporated in the PRC. They are holders of exploration and/or mining licences in respect of the mines attributable to the Group. These licences are subject to renewals for every two or three years. Under the leadership of Mr. Leung and other senior management, the current term of the mining licence held by AHQ Co was renewed smoothly in May 2012. Five exploration licences held by HLJ Co will expire and be subject to renewal between the few months of April to November 2013. The Directors believe that if Mr. Leung does not assume the office of executive Director and Chairman of the Company, the governmental officials in Heilongjiang who are in charge of processing the renewal applications of the exploration licences held by HLJ Co may have concerns on whether the Group is under the same leadership as in the past, which may result in difficulty or delay in obtaining the renewals. If these licences are not renewed on time, professional parties (in particular, auditors and valuers) may, in connection with the audited financial statements of the Group for the year ending 31 March 2013, make downward adjustment to the valuation of these mines attributable to the Group, and which may adversely affect the financial performance of the Group.

The Board considers that the re-election of Mr. Ng will be in the best interest of the Company for the following reasons:

- (i) Mr. Ng joined the Company as an executive Director in 2009. He is also a director of some subsidiaries of the Company as well as a legal representative and director of a PRC subsidiary of the Company.
- (ii) As disclosed in the Company's annual report of 2012 (which were issued in July 2012), the Group has since mid-2012 been expanding in the sector of financing business. Mr. Ng has rich experience in banks and financing sector and has been leading the Group in such new line of

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business. The Board believes that if Mr. Ng does not assume the office of executive Director of the Company, the relationship with the relevant investors and authorities in relation to this line of business may be affected, which may in turn adversely affect the performance and development of the Group.

GENERAL INFORMATION

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

MISCELLANEOUS

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

The brief biographical information of the Directors who will retire at the EGM and are eligible for re-election at the EGM is set out below:

EXECUTIVE DIRECTORS

Mr. LEUNG Ngai Man, 51, is the Chairman of the Group. He was appointed as an executive Director in 2001. Active in China since 1980s, Mr. Leung has over two decades of experience in the areas of trading, investment, property development and management. Mr. Leung has an extensive network and relationship with numerous PRC companies and authorities. He is currently the Chairman and executive director of China Netcom Technology Holdings Limited (“**China Netcom**”, stock code: 8071), the shares of which are listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange. Mr. Leung is currently a member of the remuneration committee of the Board.

Mr. Leung has entered into a service contract with the Group for an initial term of one year commencing from 3 September 2010, which was automatically renewable for the successive terms of one year but not more than an aggregate of three years from the date of initial commencement, unless terminated by either party by giving not less than three months’ notice in writing to the other party.

As at the Latest Practicable Date, Mr. Leung was entitled to an annual salary of HK\$6.96 million. He is also entitled to performance-related bonus which may be granted by the Board (pursuant to the authority given by Shareholders in general meeting) on a discretionary basis. For the year ended 31 March 2012, he was awarded by the Board a discretionary bonus of HK\$5 million. Such salaries and benefits were determined with reference to his roles and responsibilities of the Group and the prevailing market conditions. Mr. Leung is subject to the rotational and retirement requirements under the Articles.

As at the Latest Practicable Date, Mr. Leung had a long position in the underlying Shares comprising 213,633,000 Shares. Among these Shares, (a) 212,863,000 Shares were beneficially owned by Mr. Leung; and (b) 800,000 Shares represented underlying Shares for which Mr. Leung was entitled to subscribe upon exercise of certain options granted to him under a share option scheme of the Company adopted on 25 April 2002 (which was terminated by Shareholders by way of an ordinary resolution at the Company’s extraordinary general meeting held on 20 April 2012 – for further details, please refer to the Company’s circular dated 28 March 2012). Save as aforesaid, Mr. Leung 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.

Mr. NG Kwok Chu, Winfield, 54, joined the Group as an executive Director in 2009. Mr. Ng has over 20 years’ experience in consumer and commercial finance in Hong Kong and China. Mr. Ng is an executive director of China Netcom as mentioned above, and an INED of an INED of The China Uptown Group Company Limited (stock code: 2330). He was also an INED of Long Success International (Holdings) Limited (stock code: 8017, whose shares are listed on GEM) during the period between January 2006 and October 2012.

Mr. Ng has entered into a service contract on 25 June 2012 with the Group for an initial term of two years commencing from 26 June 2012, which would then be renewed thereafter on terms to be mutually agreed, unless terminated by either party giving out not less than one month’s notice in writing to the other

party. As at the Latest Practicable Date, Mr. Ng was entitled to an annual remuneration of HK\$240,000. He is also entitled to performance-related bonus which may be granted by the Board (pursuant to the authority given by Shareholders in general meeting) on a discretionary basis. For the year ended 31 March 2012, he was awarded by the Board a discretionary bonus of HK\$20,000. Such salaries and benefits were determined with reference to this roles and responsibilities of the Group and the prevailing market conditions. Mr. Ng is subject to the rotational and retirement requirements under the Articles.

Mr. Ng did not have any interest in the Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. NIU Zhihui, 40, was appointed as an INED of the Company on 6 November 2012. He was also appointed as the chairman of each of the audit committee and the remuneration committee of the Company with effect from 6 November 2012.

Mr. Niu graduated from Dongbei University of Finance and Economics in the Liaoning Province, the PRC, with a Bachelor Degree in Finance. He is a Certified Public Accountant in the PRC. Mr. Niu has worked in a state-owned bank in the PRC and several accounting firms. He has a profound understanding on the laws of the PRC in relation to accounting and taxation and financial policy and accumulated extensive working experience in finance and accounting.

On 1 November 2012, Mr. Niu was appointed as an INED of China Netcom, a company listed on GEM. Save as disclosed above, Mr. Niu did not hold directorship in any other listed company in the past three years before this appointment.

Mr. Niu did not have any interest in the Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

GENERAL

As at the Latest Practicable Date, (i) Mr. Leung, Mr. Ng, Mr. Niu and Mr. Cai Wei Lun (an INED) assumed directorship in both the Company and China Netcom, and (ii) Mr. Leung and Mr. Ng assumed common directorship in certain subsidiaries of China Netcom and the Company.

Save as aforesaid, none of Mr. Leung, Mr. Ng and Mr. Cai had any relationship with any Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

In respect of each of Mr. Leung, Mr. Ng and Mr. Niu, there is no information which is discloseable (nor is/was he involved in any matters required to be disclosed pursuant) to any of the requirements of the provisions under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to his proposed re-election. There are no other matters concerning such Directors that need to be brought to the attention of the Shareholders.

NOTICE OF THE EXTRAORDINARY 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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“**Meeting**”) of Sino Prosper State Gold Resources Holdings Limited (“**Company**”) will be held at Units 1702-04, 17th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 10 a.m. on 5 February 2013 to consider and, if thought fit, transact the following ordinary businesses:

1. To re-elect Mr. Leung Ngai Man as a director of the Company;
2. To re-elect Mr. Ng Kwok Chu, Winfield as a director of the Company;
3. To re-elect Mr. Niu Zhihui as a director of the Company;
4. To authorise the board of directors of the Company (which may be further delegated to its duly authorised committee) to fix the remuneration of any director and to authorise the board of directors of the Company to fill vacancies on the board.

By order of the Board

Sino Prosper State Gold Resources Holdings Limited

Leung Ngai Man

Chairman

Hong Kong, 16 January 2013

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.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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 the above proposed resolutions, Messrs Leung Ngai Man, Ng Kwok Chu, Winfield and Niu Zihui will retire from their office of directors ("Directors") of the Company at the Meeting pursuant to the Articles and, being eligible, offer themselves for re-election.
4. 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.
5. 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.