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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)

**FURTHER EXTENSION OF LONG STOP DATE**  
**AND**  
**FURTHER POSTPONEMENT IN DESPATCH OF CIRCULAR**  
**IN RESPECT OF**  
**A MAJOR AND CONNECTED TRANSACTION**

References are made to the Announcements of the Company in relation to, among others, the major and connected transaction.

As disclosed in the 2012 December Announcement, if any of the conditions precedent to the Completion of the Acquisition as set out therein has not been fulfilled (or as the case may be, waived by the Purchaser) on or before 30 September 2013 or such later date as the Vendor and the Purchaser may agree, the Acquisition Agreement shall cease and terminate. As additional time is required for the Company to obtain the technical report for the Target Mine (which is one of the conditions precedents to the Completion of the Acquisition) and the Reorganisation, the Vendor and the Purchaser entered the Second Supplemental Agreement on 30 August 2013 to further extend the Long Stop Date for the Completion of the Acquisition to 31 December 2014.

The Company is committed to promoting good corporate governance, with the objectives of the maintenance of responsible decision making; the improvement in transparency and disclosure of information to shareholders; the continuance of respect for the rights of shareholders; and the recognition of the legitimate interests of the shareholders. As such, the Board considers that it is in the interests of the Company and the Shareholders as a whole to convene the extraordinary general meeting for the purpose to consider and, if thought fit, approve the further extension of Long Stop Date. Under the Second Supplemental Agreement, the further extension of the Long Stop Date will be subject to the approval of the Independent Shareholders at the extraordinary general meeting.

Since the Vendor is a connected person (as defined under the Listing Rules) of the Company and deemed to be interested in the Acquisition, the Vendor and his respective associates will voluntarily abstain from voting on the resolution to approve the further extension of Long Stop Date of the extraordinary general meeting.

A circular containing, among other things, a notice convening the extraordinary general meeting and further details relating to the further extension of the Long Stop Date, will be despatched to the Shareholders on or before 11 September 2013.

For the avoidance of doubt, the purpose of convening the extraordinary general meeting is limited to the approval of the Shareholders for the further extension of Long Stop Date only. Approval of the further extension of Long Stop Date does not mean approval of the Acquisition and another EGM will be convened separately for the purpose of considering, and if thought fit, approving, among other things, the Acquisition and the transactions contemplated thereunder.

**As the Completion of the Acquisition is subject to, among other things, the approval of the further extension of the Long Stop Date and the fulfillments of conditions precedents to the Completion of the Acquisition, and hence the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

#### **FURTHER POSTPONEMENT IN DESPATCH OF CIRCULAR**

As stated in the Announcements, the preparation of the valuation report on the project of Target PRC and the advice of the independent financial adviser would only be commenced after the technical report is available. The Company further announces that the despatch of the Circular will be further postponed to a date on or before 30 November 2014 (if the further extension of Long Stop Date is approved at the extraordinary general meeting).

References are made to the announcements of Sino Prosper State Gold Resources Holdings Limited (the “**Company**”) dated 30 December 2011, 28 September 2012 and 28 December 2012 (the “**2012 December Announcement**”) (collectively referred to as the “**Announcements**”) in relation to, among others, the major and connected transaction. Unless otherwise stated, capitalised terms used herein shall have the same respective meanings as defined in the Announcements.

#### **FURTHER EXTENSION OF LONG STOP DATE**

As disclosed in the 2012 December Announcement, if any of the conditions precedent to the Completion of the Acquisition as set out therein has not been fulfilled (or as the case may be, waived by the Purchaser) on or before 30 September 2013 or such later date as the Vendor and the Purchaser may agree, the Acquisition Agreement shall cease and terminate. As additional time is required for the Company to obtain the technical report for the Target Mine (which is one of the conditions precedents to the Completion of the Acquisition) and the Reorganisation, the Vendor and the Purchaser have entered a second supplemental agreement (the “**Second Supplemental Agreement**”) on 30 August 2013 to further extend the Long Stop Date for the Completion of the Acquisition to 31 December 2014. Save as the aforementioned, all other terms and conditions of the Acquisition Agreement remain in full force and effect.

## **REASONS FOR PROLONGED DELAY OF THE ACQUISITION**

As one of the conditions precedent to the Completion is certain Reorganisation being effected. Under the Reorganisation, the Original Target PRC Shareholder is required to obtain renewed exploration/mining rights of the existing contiguous gold properties and to integrate these mining rights into the mining permit of the Target Mine, which is held (and was at the time of the entering into the Acquisition Agreement) by Target PRC.

In April 2013, the Group received the updating reports supplied by the Original Target PRC Shareholder and the PRC legal advisers to the Company in connection with the Acquisition. It is noted that the Original Target PRC Shareholder has already submitted the applications to the local land and resources bureau for obtaining the renewed exploration/mining rights of the existing contiguous gold properties and integrating these mining rights into the mining permit of the Target Mine in 2011. Since the Reorganisation has been in progress and is subject to approvals by various PRC authorities of different levels, the time taken for the Reorganisation is longer than originally expected. The Company will closely monitor the progress of the Reorganisation with the Vendor.

In April 2013, the Group also engaged a qualified Competent Person with a view to conducting the necessary technical evaluation at the Target Mine and the contiguous gold properties in Guizhou Province. The Vendor also appointed a local geological and resource survey institute to conduct geological survey and resource estimation. As the Reorganisation has not yet been completed, it was not practicable to allow survey activities to be conducted and the preparation of the valuation report on the project of Target Mine would only commence after the technical report is available. Moreover, a lingering drought conditions have emerged in the severe dry weather in Guizhou Province since June 2013. The local government has restricted the water consumption for industrial activities so as to guarantee water supply for domestic use. Accordingly, the drilling and underground sampling is impracticable to conduct at current stage due to the fact that such drilling and sampling involves the use of water and is subject to the water supply restriction imposed by the local government. When there is material progress of the Reorganisation, the Competent Person will (among other steps, make reference to the reports conducted by the said local institute) prepare and issue a JORC-compliant independent technical report which will be included in the circular to be despatched by the Company to Shareholders in connection with the extraordinary general meeting to be convened to consider and approve (if so approved) the Acquisition Agreement.

The Company is committed to promoting good corporate governance, with the objectives of the maintenance of responsible decision making; the improvement in transparency and disclosure of information to shareholders; the continuance of respect for the rights of shareholders; and the recognition of the legitimate interests of the shareholders. As such, the Board considers that it is in the interests of the Company and the Shareholders as a whole to convene the extraordinary general meeting for the purpose to consider and, if thought fit, approve the further extension of Long Stop Date. Under the Second Supplemental Agreement, the further extension of the Long Stop Date will be subject to the approval of the Independent Shareholders at the extraordinary general meeting.

For the avoidance of doubt, the purpose of convening the extraordinary general meeting is limited to the approval of the Shareholders for the further extension of Long Stop Date only. Approval of the further extension of Long Stop Date does not mean approval of the Acquisition and another EGM will be convened separately for the purpose of considering, and if thought fit, approving, among other things, the Acquisition and the transactions contemplated thereunder.

## **UPDATE ON THE STATUS OF TARGET MINE**

As disclosed in the annual report of the Company for the year ended 31 March 2013, it was estimated that the potential quantity of metal content within the area of 0.6033 km<sup>2</sup> permitted by the mining right amounted to approximately 13.6 tonnes and the aggregate potential quantity of metal content of the remaining four mining rights to be consolidated amounted to approximately 52 tonnes, as set out in an exploration and development report (the “**Exploration and Development Reports**”) on the gold mine located in Xiongwu region, Xingyi City, Guizhou Province (貴州省興義市雄武地區), dated February 2011 and February 2013 and prepared by a domestic geological exploration institute at the request of the Target Company.

Taking into account the exploration/mining rights of the existing contiguous gold properties is required to integrate into the mining permit of the Target Mine and the potential aggregate gold metal resources of the existing contiguous gold properties amounted to approximately 52 tonnes (as set out in the Exploration and Development Reports), the Board is of the view that such consolidation of mining rights and the Completion of the Acquisition will enable to increase its gold reserves and resource and have positive impact on the business of the Group as a whole.

**Shareholders and potential investors should be aware that the Company has yet to conduct technical due diligence or valuation on Target Mine. Any failure in discovering gold resources in the Target Mines to be less than 13 tonnes may adversely affect the investment return of the Acquisition, in particular, exploration, development and production risk as well as operation and environmental and sovereign risk may occur in the Target Mines. Normal market risk conditions also apply including commodity price, currency fluctuations, supply and demand and general economic outlook. There is a risk that following a technical due diligence on the Target Mine, the Company may not proceed to Completion on the basis that the result is not satisfactory to the Company.**

The Company will, up to Completion, continue to conduct due diligence on the assets, liabilities, operations and affairs and the feasibility of the business plan of the Target Group at the Completion, which include without limitation, the Target PRC is permitted to carry on mining and exploration operations.

According to the PRC legal opinion obtained by the Group, the mining permit of the Target Mine held by the Target PRC was granted by the Ministry of Land and Resources, the PRC and is valid for a period between July 2005 and July 2015 and there are not any legal obstacles for the renewal of mining right of the Target Mine held by the Target PRC. However, as advised by the Company’s PRC legal advisers, the successful renewal of the mining permits is subject to the applicable PRC rules and regulations at the time of applying for the renewal and/or relevant licences and the administrative decision of the Ministry of Land and Resources.

## GENERAL INFORMATION

Since the Vendor is a connected person (as defined under the Listing Rules) of the Company and deemed to be interested in the Acquisition, the Vendor and his respective associates will voluntarily abstain from voting on the resolution to approve the further extension of Long Stop Date of the extraordinary general meeting.

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the further extension of the Long Stop Date is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Nuada Limited has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details relating to the further extension of the Long Stop Date; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the extraordinary general meeting will be despatched to the Shareholders on or before 11 September 2013.

**As the Completion of the Acquisition is subject to, among other things, the approval of the further extension of the Long Stop Date and the fulfillments of conditions precedents to the Completion of the Acquisition, and hence the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

## FURTHER POSTPONEMENT IN DESPATCH OF CIRCULAR

As stated in the Announcements, the preparation of the valuation report on the project of Target PRC and the advice of the independent financial adviser would only be commenced after the technical report is available. The Company further announces that the despatch of the Circular will be further postponed to a date on or before 30 November 2014 (if the further extension of Long Stop Date is approved at the extraordinary general meeting).

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

Hong Kong, 30 August 2013

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