

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**TERMINATION OF
A MAJOR AND CONNECTED TRANSACTION**

References are made to the announcements of Sino Prosper State Gold Resources Holdings Limited (the “**Company**”) dated 30 December 2011 (the “**2011 Announcement**”), 28 September 2012, 28 December 2012, 30 August 2012, 30 September 2013 and 2 January 2014 (collectively referred to as the “**Announcements**”) and the Company’s circular dated 3 September 2013 in relation to, among others, the major and connected transaction. Unless otherwise stated, capitalised terms used herein shall have the same respectively meanings as defined in the Announcements.

Pursuant to the Acquisition Agreement, the Purchaser, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Share and the Sale Loan, at a total consideration of RMB550 million.

Taking into account that (i) the gold price has shown a downward trend from approximately USD1,700 per ounce around the date of the Acquisition Agreement to approximately USD1,400 per ounce in September 2013 and then to approximately USD1,200 per ounce in December 2013, representing an overall decrease of approximately 29.4% and such downward trend seems will likely continue in the future; (ii) the exploitation cost of gold mine (such as labour cost) in the PRC may not decrease and instead is expected to increase; (iii) the potential profit margin of gold mining business has been decreasing to a level that is no longer as attractive as before; and (iv) consequently the Target Mine is no longer as valuable and attractive to the Company as before, the Board (other than the Vendor) therefore wished to terminate the Acquisition Agreement. Thereafter, the Company had entered into negotiations with the Vendor to try to convince the Vendor to terminate the Acquisition Agreement. After much negotiation, the Vendor, being the substantial shareholder, Chairman and director of the Company, agreed to cater to the Company's request to terminate the Acquisition Agreement. Subsequently, the Purchaser and the Vendor entered into a termination deed (the “**Termination Deed**”) on 7 January 2014 to terminate the Acquisition Agreement with immediate effect.

A deposit of RMB120 million (the “**Deposit**”) had been paid by the Purchaser to the Vendor in accordance with the Acquisition Agreement and such Deposit was refunded by the Vendor to the Purchaser on the date of the Termination Deed.

The Board considers that the termination of the Acquisition Agreement will not have any material adverse impact on the existing business, operation or financial condition of the Group, and it would allow the Company to restore its financial resources for other business opportunity that may arise in the future which is in the best interest of the Company and the Independent Shareholders as a whole.

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

Hong Kong, 7 January 2014

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 Ms. Xuan Hong, Mr. Cai Wei Lun and Mr. Zhang Qingkui.