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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)

ANNOUNCEMENT:
THE ENTERING INTO OF THE SETTLEMENT AGREEMENT
WHICH CONSTITUTES A CONNECTED TRANSACTION

Reference is made to the announcement (the “**Announcement**”) of the Company dated 7 October 2013 in relation to, among others, the Application made by the Plaintiff under section 152FA of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

On 13 January 2014, the Plaintiff, the Company and Mr. Leung Ngai Man (“**Mr. Leung**”) have entered into a settlement agreement (the “**Settlement Agreement**”) whereby the parties agree, among other things, that (i) subject to the terms of the Settlement Agreement, the Company and Mr. Leung on the one side and the Plaintiff on the other side each irrevocably and unconditionally waives and releases and shall be deemed to have waived and released any and all claims arising out of, related to or in connection with the Company, its subsidiaries and the Application proceedings and the subject matter therein against each other side and (as applicable) each other side’s directors, officers, representatives, advisers, agents, employees, contractors, successors, subsidiaries, shareholders and assignees; (ii) the Application proceedings be discontinued and dismissed with no order as to costs; and (iii) Mr. Leung shall acquire from the Plaintiff all of the ordinary shares of HK\$0.1 each in the issued share capital of the Company (the “**Shares**”) held by the Plaintiff totaling 54,645,300 Shares (the “**Sale Shares**”) at a price of HK\$0.45 per Sale Share. Mr. Leung is a substantial shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited), the Chairman and an executive director of the Company. The Sale Shares represent approximately 6.72% of the issued share capital of the Company as at the date of this announcement.

As at the date of this announcement, Mr. Leung is interested in 158,863,000 Shares, representing approximately 19.53% of the issued share capital of the Company. Based on the information currently in the Company’s possession, the interests of Mr. Leung in the issued share capital of the Company is expected to increase to approximately 26.24% of the issued share capital of the Company immediately after the above-mentioned purchase of the Sale Shares by Mr. Leung.

The Company and the Plaintiff have at signing of the Settlement Agreement provided each other with a consent order in the agreed form set out in the Settlement Agreement signed by their respective solicitors, whereby the Plaintiff shall discontinue and dismiss the Application proceedings with no order as to costs.

The Company has no obligation under the Settlement Agreement to issue shares or transfer any property, and no amounts, sums or assets will be paid to or received by any of the Company and/or its subsidiaries (collectively the “**Group**”) from the other parties under the Settlement Agreement. There is also no guarantee given by the Company or any member of the Group in favour of the other parties under the Settlement Agreement, and there is no particular obligation on the part of the Company under the Settlement Agreement which would affect the financial position or business operations of the Group.

As Mr. Leung is a substantial shareholder, the Chairman and an executive director of the Company, the entering into of the Settlement Agreement would constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. However, as the Group will neither receive from nor make any payment to the other parties under the Settlement Agreement, the entering into of the Settlement Agreement falls under the de minimis exemption under Chapter 14A of the Listing Rules and shall therefore be exempt from the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Also, the Company believes that the entering into of the Settlement Agreement will be in the interest of the Company and its independent shareholders because it will save the Company from incurring further time, costs and resources in responding to the Application.

By the order of the Board of
Sino Prosper State Gold Resources Holdings Limited
Sung Kin Man
Chief Executive Officer and Executive Director

Hong Kong, 13 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.