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**SINO PROSPER (GROUP) HOLDINGS LIMITED**  
**中盈(集團)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 766)

**DEED OF WAIVER**

This announcement is made by Sino Prosper (Group) Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcement (the “**Announcement**”) of the Company dated 22 January 2014 and the circular (the “**Circular**”) of the Company dated 24 September 2013 in relation to, among other matters, the very substantial acquisition and connected transaction. Unless otherwise stated, capitalised terms used herein shall have the same meanings respectively as defined in the Circular.

**DEED OF WAIVER**

As disclosed in the Announcement, the Company had commenced negotiations with the Vendor for the possible cancellation of potential further payments payable by the Purchaser to the Vendor under the Agreement (being the T3 Price and the T4 Price).

Further to such negotiations, the Vendor has, on 29 January 2014 (after trading hours), executed a deed of waiver (the “**Deed of Waiver**”) in favour of the Purchaser, pursuant to which:

- (i) the Vendor irrevocably and unconditionally waives, releases and discharges the Purchaser from the obligations to pay:
  - (a) the T3 Price, notwithstanding (and assuming) the T3 Payment Conditions being satisfied;
  - (b) the T4 Price, notwithstanding (and assuming) the T4 Payment Conditions being satisfied;and

- (ii) conditional upon a sum of HK\$170 million (being a portion of the aggregate principal amounts owing by the Purchaser to the Vendor under the T1 P-Note and the T2 P-Note) being paid (whether by a single payment or a series of payments) to the Vendor by or on behalf of the Purchaser on or before 28 February 2014 (the “**Partial Early Repayment**”), the Vendor irrevocably waives, releases and discharges the Purchaser from the obligations to pay the entirety of the interest (the “**P-Note Interests**”) accrued and accruing on the T1 P-Note and the T2 P-Note.

For the avoidance of doubt, pursuant to the terms of the Promissory Notes, the Purchaser has the option to early repay the Promissory Notes with the relevant interests in whole or in part by giving a prior 7 days’ written notice to the Vendor. Save as disclosed in this announcement, there will not be any premium or discount to the payment obligations under the Promissory Notes for any early repayment.

The Directors intend to finance the Partial Early Repayment entirely by the Group’s internal resources as the Group has sufficient internal resources for such purpose.

Both the T1 P-Note and the T2 P-Note carry interest which accrues at the rate of 1.5% per annum and have a maturity of 5 years from their respective date of issuance. Given that the aggregate principal amount of the T1 P-Note and the T2 P-Note is HK\$200 million, the entirety of the P-Note Interests therefore amounts to approximately HK\$15 million.

## **UPDATED STATUS OF THE TARGET GROUP**

The Vendor has confirmed that (i) the application process in respect of the increase in the registered capital of Target PRC No.1 to no less than RMB200 million (the “**Capital Increase**”) has been commenced and all Permits in relation to the Capital Increase are expected to be obtained by no later than June 2014; (ii) no material difficulty or legal obstacle is noted during the application process; and (iii) the Vendor shall continue to take all necessary actions with a view to fulfilling the T3 Payment Conditions notwithstanding the terms of the Deed of Waiver.

Based on the unaudited management accounts of the PRC Subsidiaries, the combined turnover of the PRC Subsidiaries arising from the Target Business (exclusive of any value added tax or business tax) for the period from 1 October 2013 up to 28 January 2014 amounted to approximately RMB11.46 million.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the execution of the Deed of Waiver by the Vendor involves the waiving of the payment obligations of the Purchaser in respect of the T3 Price, the T4 Price and all P-Note Interests, it constitutes financial assistance provided by the Vendor (a connected person of the Company) for the benefit of the Purchaser and it therefore constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the financial assistance provided by the Vendor is on terms better to the Company and no security over any assets of the Group is granted in respect

of such financial assistance, the execution of the Deed of Waiver shall be exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

Given that the execution of the Deed of Waiver by the Vendor will save the Purchaser (a) from paying the T3 Price and the T4 Price when and assuming the T3 Payment Conditions and the T4 Payment Condition are fulfilled respectively and (b) conditional upon the Partial Early Repayment being satisfied, from having any future cash outflow in respect of the P-Note Interests, the Directors consider that the arrangements contemplated under the Deed of Waiver will allow the Company to reduce its borrowings, improve its financial position, and retain its financial resources for the development of the business of the Group. Based on the above, the Directors consider that the terms of the Deed of Waiver are fair and reasonable and in the interests of the Shareholders as a whole.

**Shareholders and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

By order of the Board  
**Sino Prosper (Group) Holdings Limited**  
**Ng Kwok Chu, Winfield**  
*Executive Director*

Hong Kong, 29 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.*