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**SINO PROSPER HOLDINGS LIMITED**  
**中盈控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
(stock code: 766)

**FURTHER ADDENDUM TO HEADS OF AGREEMENT  
AND  
FURTHER DELAY IN DESPATCH OF CIRCULAR  
RELATING TO THE  
MAJOR TRANSACTION – INVESTMENT IN THE  
RENEWABLE FUEL BUSINESS**

Reference is made to the announcement of the Company dated 6 June 2006 (the “Announcement”) in relation to the major transaction relating to the proposed investment in the renewable fuel business and the announcements of the Company dated 27 June 2006 and 31 July 2006 respectively, in relation to delay in despatch of circular. Terms used herein shall have the same meanings as defined in the Announcement, unless the context otherwise requires.

Pursuant to Rules 14.38 and 14.40 of the Listing Rules, the Company is required to despatch to the Shareholders a circular within 21 days after the publication of the Announcement, being on or before 28 June 2006. The Company has applied to the Stock Exchange for waivers from strict compliance with the requirement under Rules 14.38 and 14.40 of the Listing Rules to extend the time for despatch of the circular to 31 July 2006 and further delay to 29 September 2006.

As disclosed in the announcement of the Company dated 31 July 2006, a potential investor has shown strong interest in co-investing in Picnic Ethanol and the terms of its offer will probably have a positive and significant impact on Picnic Ethanol. The parties to the Heads of Agreement have therefore agreed to consider the offer from the potential investor subject to the terms and conditions thereof to be finalized. Since the announcement of the Company dated 31 July 2006, the parties to the Heads of Agreement have continued negotiations with the potential investor about the relevant terms and conditions of its proposed investment and SPE has continued to conduct due diligence on Picnic Ethanol.

As at the date of this announcement, the due diligence on Picnic Ethanol being conducted by SPE has not yet been completed. In addition, the progress of the negotiations between the relevant parties has also been affected by the recent coup in Thailand, which has increased the uncertainty of the political outlook in Thailand. The parties to the Heads of Agreement and the potential investor are currently observing the impact of the coup on the Thai economy before entering into any definitive agreements in relation to Picnic Ethanol.

In the circumstances, a further addendum was entered into by SPE, Picnic Ethanol and Picnic Public on 27 September 2006, pursuant to which the Heads of Agreement have been further amended, inter alia, as follows:–

1. the deadline for SPE to complete its due diligence on, inter alia, Picnic Ethanol has been extended from 31 August 2006 to 30 October 2006;
2. the latest time for the entering into of the Definitive Agreements has been extended from 15 September 2006 to 15 November 2006; and
3. the exclusivity period (during which SPE, Picnic Public and Picnic Ethanol shall negotiate and proceed to work in concert exclusively to facilitate the completion of the transactions contemplated in the Heads of Agreement) has been extended from 30 September 2006 to 30 November 2006.

As at the date of this announcement, the terms and conditions of each of the Definitive Agreements have not yet been finalized. The Board considers that, in the absence of finalisation of the terms and conditions of each of the Definitive Agreements and the execution thereof, it is impracticable and not appropriate to despatch a circular to the Shareholders.

Given the above, the Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements of Rules 14.38 and 14.40 of the Listing Rules and a further extension of the deadline for the despatch of the Circular to no later than 30 November 2006, being 15 days after the deadline for the entering into of the Definitive Agreements.

As at the date of this announcement, Mr. Leung Ngai Man, Mr. Tang Yan Tian, Mr. Yeung Kit, Mr. Wong Wa Tak are the executive Directors, Mr. Gao Shi Kui is the non-executive Director, and Mr. Chan Sing Fai, Mr. Cai Wei Lun and Mr. Leung Wai Cheung are the independent non-executive Directors.

By order of the Board of  
**Sino Prosper Holdings Limited**  
**Tang Yan Tian**  
*Chief Executive Officer*

Hong Kong, 28 September 2006

Please also refer to the published version of this announcement in International Herald Tribune.