
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be immediately taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Sino Prosper Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**RENEWAL OF THE 10% GENERAL LIMIT
ON THE GRANT OF OPTIONS UNDER
THE SHARE OPTION SCHEME,
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong at 10:00 a.m. on Friday, 24 August 2007 is set out on pages 16 to 20 of this circular.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof to the Company's branch share registrar and transfer office in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

31 July 2007

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“10% General Limit”	the limit imposed under Clause 8.2(a) of the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme, which has been “refreshed” and may be further “refreshed” on and pursuant to the rules of the Share Option Scheme
“Annual General Meeting”	the annual general meeting of the Company to be convened and held at Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong at 10:00 a.m. on Friday, 24 August 2007 the notice of which is set out on pages 16 to 20 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company adopted pursuant to a written resolution passed by all the then Shareholders on 25 April 2002, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Sino Prosper Holdings Limited 中盈控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting

DEFINITIONS

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Refresh Resolution”	the ordinary resolution passed at the annual general meeting of the Company held on 23 August 2006 for refreshing the then 10% General Limit
“Latest Practicable Date”	26 July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	the share option scheme of the Company adopted pursuant to a resolution in writing of the then sole Shareholder passed on 25 April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



SINO PROSPER HOLDINGS LIMITED
(中盈控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

Executive Directors:

Leung Ngai Man (*Chairman*)
Tang Yan Tian (*Chief Executive Officer*)
Yeung Kit
Wong Wa Tak

Non-executive Director:

Gao Shi Kui

Independent non-executive Directors:

Chan Sing Fai
Cai Wei Lun
Leung Wai Cheung

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

***Head office and principal place of
business in Hong Kong:***

Units D-E, 7th Floor
Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

31 July 2007

*To the Shareholders and, for information only,
the holders of outstanding options and warrants of the Company*

Dear Sir or Madam,

**RENEWAL OF THE 10% GENERAL LIMIT
ON THE GRANT OF OPTIONS UNDER
THE SHARE OPTION SCHEME,
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include: (a) ordinary resolutions on the proposed grant of each of the General Mandate, Repurchase Mandate and the Extension Mandate; (b) an ordinary resolution relating to the proposed renewal of the 10% General Limit; and (c) an ordinary resolution relating to the proposed re-election of each of the retiring Directors.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

Pursuant to the ordinary resolutions passed by the then Shareholders on 23 August 2006, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with the Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the said resolution; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the said resolution; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to (b) above.

The above general mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, the following ordinary resolutions, among other matters, will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The General Mandate and the Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles of Association to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme of the Company on 25 April 2002 and any Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the warrants of the Company.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

SHARE OPTION SCHEME – RENEWAL OF 10% GENERAL LIMIT

Under the rules of the Share Option Scheme:

- (1) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the shares of the Company in issue from time to time (“**30% Overall Limit**”);
- (2) the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company is subject to the 10% General Limit; and
- (3) unless approved by the Shareholders in general meeting, the total number of Shares issued and to be issued upon the exercise of options granted to each participant of the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company (“**Single Participant Limit**”).

The Company may seek approval from the Shareholders in general meeting for refreshing the 10% General Limit so that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall be re-set at 10% of the Shares in issue as at the date of the approval of the limit as “refreshed”.

In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the 10% General Limit as “refreshed”.

The 10% General Limit has been “refreshed” pursuant to the Last Refresh Resolution passed by the then Shareholders on 23 August 2006. The existing 10% General Limit is 122,016,315 Shares, being 10% of the Shares in issue as at the date of passing of the Last Refresh Resolution. As at the Latest Practicable Date, options carrying the rights to subscribe for up to a total of 122,000,000 Shares had been granted under the Share Option Scheme since the passing of the Last Refresh Resolution. A breakdown of these grants is set out below:

- (i) options carrying the right to subscribe for a total of 26,000,000 Shares were granted to 3 employees of the Group; and

LETTER FROM THE BOARD

- (ii) options carrying the right to subscribe for a total of 96,000,000 Shares were granted to 10 consultants of the Group.

All the above grantees of the options fall within the category of eligible participants under the Share Option Scheme. The Directors confirm that the grants of options to the above grantees were in accordance with the rules of the Share Option Scheme (including the Single Participant Limit) and the relevant requirements of the Listing Rules. None of these grantees is a connected person (as defined under the Listing Rules) of the Company.

Since the adoption of the Share Option Scheme, none of the grantees has been granted options that exceed the Single Participant Limit.

As at the Latest Practicable Date, (i) a total number of 66,000,000 Shares have been issued pursuant to the exercise of options granted under the Share Option Scheme since the passing of the Last Refresh Resolution, (ii) options carrying the rights to subscribe for up to a total of 56,000,000 Shares had been granted under the Share Option Scheme but not yet exercised since the passing of the Last Refresh Resolution; (iii) none of the options referred to (i) and (ii) above had lapsed and been cancelled, and (iv) the total number of Shares which may fall to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme is 104,600,000 Shares (representing approximately 8.1% of the Shares in issue as at the Latest Practicable Date). Unless the 10% General Limit is “refreshed”, only up to 16,315 Shares (“**Remaining Options**”, which include limited previously sought but not yet granted as at the Latest Practicable Date) may be issued pursuant to the grant of further options under the Share Option Scheme.

If the 10% General Limit is “refreshed”, on the basis of 1,286,163,158 Shares in issue as at the Latest Practicable Date and assuming that, prior to the Annual General Meeting, (i) no Shares are issued (whether upon exercise of options granted under the Share Option Scheme or otherwise) or repurchased by the Company; and (ii) none of the Remaining Options are granted, the 10% General Limit will be reset at 128,616,315 Shares (“**Available Limit**”) and the Company will be allowed to grant further options under the Share Option Scheme and other share option schemes carrying the rights to subscribe for up to the Available Limit.

On the basis of 1,286,163,158 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represents a total of 385,848,947 Shares. Accordingly, the aggregate of (i) the Available Limit arising from the “refreshing” of the 10% General Limit and (ii) the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company does not exceed the 30% Overall Limit as at the Latest Practicable Date.

The purposes of the Share Option Scheme are to provide incentives or rewards to employees, customers and suppliers of the Group and other eligible participants of the Share Option Scheme for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Given that the existing 10% General Limit is near depletion, the Share Option Scheme cannot continue to serve its intended purpose for the benefits of the Group and the Shareholders unless the 10% General Limit is “refreshed” in accordance with the rules of the Share Option Scheme.

LETTER FROM THE BOARD

The Directors consider that it will be for the benefit of the Company and the Shareholders as a whole that eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options under the Share Option Scheme. This will motivate the eligible participants to contribute to the success of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the Annual General Meeting for “refreshing” the 10% General Limit.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(A) of the Articles of Association, Mr. Tang Yan Tian, Mr. Yeung Kit and Mr. Wong Wa Tak being the Executive Directors, will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Biographical information of Mr. Tang Yan Tian, Mr. Yeung Kit and Mr. Wong Wa Tak is set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

Set out on pages 16 to 20 of this circular is a notice convening the Annual General Meeting at which resolutions will be proposed to approve, among other matters, the following:

- (a) the renewal of the 10% General Limit;
- (b) the grant of the General Mandate, Repurchase Mandate and Extension Mandate; and
- (c) the re-election of retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

PROCEDURES FOR DEMANDING A POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Article 72 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or

LETTER FROM THE BOARD

- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing not less than five (5) per cent. of the total voting rights of all the shareholders having the right to vote at the meeting.

RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the Annual General Meeting which include, (a) ordinary resolutions on the proposed grant of each of the General Mandate, Repurchase Mandate and Extension Mandate; (b) an ordinary resolution relating to the renewal of the 10% General Limit; and (c) an ordinary resolution relating to the proposed re-election of each retiring Directors, are in the best interest of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board of
Sino Prosper Holdings Limited
Leung Ngai Man
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing are on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which shares of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 1,286,163,158 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 128,616,315 Shares, representing not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the Latest Practicable Date.

Notwithstanding the above, the Company will only be allowed to repurchase under Repurchase Mandate a maximum number of Shares which represents not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Law, other applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of the

profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital and/or the gearing position as disclosed in the audited consolidated financial statements of the Company for the year ended 31 March 2007 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
July	0.940	0.660
August	0.820	0.640
September	0.860	0.670
October	0.760	0.610
November	0.750	0.640
December	0.770	0.630
2007		
January	N/A (<i>Note</i>)	N/A (<i>Note</i>)
February	N/A (<i>Note</i>)	N/A (<i>Note</i>)
March	N/A (<i>Note</i>)	N/A (<i>Note</i>)
April	N/A (<i>Note</i>)	N/A (<i>Note</i>)
May	0.620	0.380
June	0.620	0.365
July (including and up to the Latest Practicable Date)	0.455	0.390

(Note: Trading of the Shares on the Stock Exchange was suspended during the period)

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

8. CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on the Company exercising the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, Climax Park Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Leung Ngai Man, held approximately 18.66% of the then issued Shares, and Mr. Leung Ngai Man, by himself and through Climax Park Limited, held an aggregate of approximately 19.28% of the then issued Shares.

On the basis that 1,286,163,158 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued or repurchased before the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage increase of Climax Park Limited and Mr. Leung Ngai Man in Shares would increase to approximately 20.73% and 21.42% respectively of the then issued Shares. In such circumstances, neither Climax Park Limited nor Mr. Leung Ngai Man would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Besides, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25%.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

The brief biographical information of the retiring Directors eligible for re-election at the Annual General Meeting is set out below:

EXECUTIVE DIRECTOR

Mr. TANG Yan Tian (唐彦田), aged 56, joined the Group in 2005, he is an executive Director and the Chief Executive Officer of the Company. He is also a director of Sino Prosper Resources Limited and Sino Prosper Gas Limited, the wholly-owned subsidiaries of the Company. Mr. Tang graduated from the Mechanical Engineering Faculty of Jilin Industrial University and the English Language and Foreign Trade Faculty of The University of International Business & Economics, Beijing, China. He also obtained a Master's degree in Computer Science from The City University of New York, United States of America. He has 30 years of technical and management experience in project development and feasibility studies, international marketing and system engineering in the infrastructure, environmental protection and energy sectors. Mr. Tang has been involved in projects in oil refinement, energy and auto industries, which include bitumen extraction project in Indonesia. Mr. Tang had worked with China National Machinery & Equipment Import & Export Corporation ("CMEC") for over 6 years before becoming the director of Sino-Overseas Machinery & Tech. Corp., a subsidiary of CMEC in the United States of America.

Mr. Tang has entered into a service agreement with the Company on 22 July 2005 for an initial term of two years commencing from 22 July 2005, which will be renewed thereafter on terms to be mutually agreed, unless terminated by not less than one months' notice in writing served by either party on the other. As at the Latest Practicable Date, Mr. Tang was entitled to an annual remuneration of HK\$480,000, which was determined with reference to his role and responsibilities within the Group and the prevailing market conditions.

Mr. Tang did not have any interest in Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Tang did not have any relationship with any other Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

There is no information which is disclosable nor is/was Mr. Tang involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Tang that need to be brought to the attention of the Shareholders.

Mr. Yeung Kit (楊杰), aged 44, joined the Group in 2001. He is an executive Director and a director of Sino Prosper Resources Limited, Sino Prosper Gas Limited, Joint Profit Group Limited, Konrich (Asia) Limited, Sino Prosper Medical Technology Limited, Sino Prosper LNG Limited and Sino Prosper Coal Mining Investment Limited, all being wholly-owned subsidiaries of the Company. Mr. Yeung has over 10 years' experience in the field of banking and finance, and more than 14 years' experience in the area of China trade and investment. Mr. Yeung is currently a member of the remuneration committee of the Board.

Mr. Yeung has entered into a service agreement with the Company on 1 January 2005 for an initial term of two years commencing from 1 January 2005, which will be renewed thereafter on terms to be mutually agreed, unless terminated by not less than one months' notice in writing served by either party on the other. As at the Latest Practicable Date, Mr. Yeung was entitled to an annual remuneration of HK\$480,000. The emolument of Mr. Yeung has been determined by the Board with reference to his duties and responsibilities with the Group.

As at the Latest Practicable Date, Mr. Yeung was interested in share options, carrying rights to subscribe for 1,400,000 at the exercise price of HK\$0.475 per Share during the exercise period from 1 November 2004 to 31 October 2014. He was also interested in share options, carrying the rights to subscribe for 5,000,000 shares at the exercise price of HK\$0.410 per Share during the exercise period from 12 January 2005 to 11 January 2015, pursuant to the share option scheme of the Company. Save as aforesaid, Mr. Yeung did not have any other interest in the Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Yeung did not have any relationship with any other Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

There is no information which is disclosable nor is/was Mr. Yeung involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Yeung that need to be brought to the attention of the Shareholders.

Mr. WONG Wa Tak (黃華德), aged 44, joined the Group in 2005. He is an executive Director and a director of Sino Prosper Resources Limited, Sino Prosper Gas Limited and P.T. Sino Prosper Indocarbon, all being wholly-owned subsidiaries of the Company. Mr. Wong graduated from The Hong Kong Polytechnic University and has extensive experience in the shipping industry for over 10 years, particularly in bulk cargo transportation for petroleum products, chemicals and gas cargoes. Since 1993, he has concentrated in equity investment and business development in the PRC. For the past 14 years, Mr. Wong has been involved in many merger and acquisition transactions, covering sectors of real estate development, power plants and toll roads. Mr. Wong also has experience in the usage of asphalt for toll road/high way construction and maintenance.

Mr. Wong has entered into a service agreement with the Company on 15 January 2005 for an initial term of two years commencing from 15 January 2005, which will be renewed thereafter on terms to be mutually agreed, unless terminated by not less than one month's notice in writing served by either party on the other. As at the Latest Practicable Date, Mr. Wong was entitled to an annual remuneration of HK\$480,000, which was determined with reference to his role and responsibilities within the Group and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong was deemed to be interested in the 1,600,000 Shares held by Master Hill Development Limited, 50% of the entire issued share capital of which is owned by Mr. Wong, by virtue of the SFO. In addition, he was also deemed to be interested in share options held by Master Hill Development Limited, carrying rights to subscribe for 3,000,000 Shares at the exercise price of HK\$0.46 per Shares during the exercise period from 29 November 2004 to 28 November 2014, by virtue of the SFO. Save as disclosed above, Mr. Wong did not have any other interest in the Shares, underlying shares or debenture in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Wong did not have any relationship with any other Directors, senior management or substantial or controlling Shareholder (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

There is no information which is disclosable nor is/was Mr. Wong involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



SINO PROSPER HOLDINGS LIMITED (中盈控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Sino Prosper Holdings Limited (“**Company**”) will be held at Room 3203, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong at 10:00 a.m. on Friday, 24 August 2007 to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (“**Directors**”) and auditors (“**Auditors**”) of the Company for the year ended 31 March 2007;
2. to re-elect each retiring Director (namely, Mr. Tang Yan Tian, Mr. Yeung Kit and Mr. Wong Wa Tak) (each as a separate resolution) and to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint HLB Hodgson Impey Cheng as the Auditors and to authorise the board of Directors to fix their remuneration;
4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the additional shares (“**Shares**”) of HK\$0.01 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares), which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to
- (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of any options granted under the share option schemes or similar arrangement of the Company adopted from time to time;
 - (iii) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles of Association**”) of the Company and other relevant regulations; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in the general meeting.

NOTICE OF THE ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (“**Director**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares (“**Shares**”) of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law to be held; and
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in the general meeting.”

NOTICE OF THE ANNUAL GENERAL MEETING

To consider as special business, and if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

6. “**THAT** conditional upon the resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”
7. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme (“**Share Option Scheme**”) of the Company adopted pursuant to a resolution in writing of the sole shareholder of the Company passed on 25 April 2002, representing 10% of the issued share capital of the Company as at the day on which this resolution is passed, pursuant to Clause 8.2(a) of the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the day on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors or the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

By order of the Board
Sino Prosper Holdings Limited
Leung Ngai Man
Chairman

Hong Kong, 31 July 2007

NOTICE OF THE ANNUAL GENERAL MEETING

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

**Head office and principal place
of business in Hong Kong:**

Units D-E, 7th Floor
Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

Notes:

- 1 A shareholder (“**Shareholder**”) of the Company entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint one proxy or, if he is the holder of two or more shares (“**Shares**”) of the Company, more than one proxy to attend and, subject to the provisions of the articles of association (“**Articles of Association**”) of the Company, vote in his stead. A proxy need not be a Shareholder.
- 2 To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the branch registrar and transfer agent of the Company in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East Wanchai, Hong Kong not later than 48 hours before the time of the Meeting or any adjourned meeting.
- 3 In relation to proposed resolution numbered 2, Mr. Tang Yan Tian, Mr. Yeung Kit and Mr. Wong Wa Tak will retire from their office of directors (“**Directors**”) of the Company at the Meeting pursuant to the Articles of Association and, being eligible, offer themselves for re-election.
- 4 In relation to proposed resolution numbered 4 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by Shareholders and any Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the warrants of the Company.
- 5 In relation to proposed resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I to this circular of which this notice forms part.
- 6 Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 7 In the case of joint registered holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto or if more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.