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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)

REFRESHMENT OF THE GENERAL MANDATE
AND
NOTICE OF EGM

Financial adviser



信達國際融資有限公司
CINDA INTERNATIONAL CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



亞洲資產管理
ASIA INVESTMENT MANAGEMENT

A notice convening an extraordinary general meeting of the Company to be convened at 10:00 a.m. on Monday, 25 May 2009 at Units 1702-04, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong is set out on pages 15 to 17 of this circular. Form of proxy for use in the extraordinary general meeting is enclosed. Whether or not you plan to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting in person should you so wish.

7 May 2009

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Refreshment of the General Mandate	4
3. EGM	6
4. Responsibility statement	6
5. Recommendation	6
Letter from the Independent Board Committee	7
Letter from Asia Investment	8
Notice of EGM	15

DEFINITIONS

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

“Articles”	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
“Asia Investment” or “Independent Financial Adviser”	Asia Investment Management Limited, a licensed corporation under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (assets management) regulated activities under the SFO, and has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the General Mandate
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Sino Prosper Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 10:00 a.m. on Monday, 25 May 2009 at Units 1702-04, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, the notice of which is set out on pages 15 to 17 of this circular and any adjournment thereof
“General Mandate”	the general and unconditional mandate granted to the Directors by the Shareholders pursuant to ordinary resolution passed at the Last AGM to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the Last AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders in relation to the refreshment of the General Mandate

DEFINITIONS

“Independent Shareholders”	any Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last AGM”	the annual general meeting of the Company held on 26 September 2008
“Latest Practicable Date”	4 May 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal in Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“Placing”	the placing of 257,230,000 new Shares pursuant to the Placing Agreement, which was completed on 25 February 2009
“Placing Agent”	Cinda International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 15 October 2008 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Shares”	257,230,000 new Shares placed under the Placing
“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 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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:

Mr. Leung Ngai Man (*Chairman*)
Mr. Yeung Kit
Mr. Wong Wa Tak

Independent non-executive Directors:

Mr. Chan Sing Fai
Mr. Cai Wei Lun
Dr. 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 1702-04, 17/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

7 May 2009

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

Dear Sir/Madam,

**REFRESHMENT OF THE GENERAL MANDATE
AND
NOTICE OF EGM**

INTRODUCTION

The Directors would put forward to the Independent Shareholders for approval at the EGM the grant of the New General Mandate.

The purpose of this circular is to provide you with information regarding (i) the proposed grant of the New General Mandate; (ii) the recommendation from the Independent Board Committee; (iii) the recommendation from Asia Investment to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate; and (iv) the notice of the EGM.

LETTER FROM THE BOARD

REFRESHMENT OF THE GENERAL MANDATE

Background of the General Mandate

At the Last AGM, the Shareholders passed an ordinary resolution to grant to the Directors the General Mandate to allot, issue and deal in a maximum of 257,232,631 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Last AGM.

As set out in the announcement of the Company dated 15 October 2008, the Company and the Placing Agent entered into the Placing Agreement whereby the Company agreed to place through the Placing Agent, on a best effort basis, up to 257,230,000 Placing Shares to independent investors, and such Placing Shares would be issued pursuant to the General Mandate. As announced by the Company on 25 February 2009, completion of the Placing took place on 25 February 2009 and 257,230,000 Placing Shares were successfully placed to not less than six places. Accordingly, the General Mandate has been substantially utilised with only 2,631 Shares remaining unissued under the General Mandate as at the Latest Practicable Date.

As at the Latest Practicable Date, the net proceeds from the Placing of approximately HK\$7.789 million has not been utilised but are intended to be used for the partial payment of the consideration for the acquisition as announced by the Company on 19 September 2008.

Save for the Placing, the Company has not conducted any equity fund-raising activities in the past 12 months immediately preceding the Latest Practicable Date.

Refreshment of the General Mandate since the Last AGM

There was no refreshment of the General Mandate since the date of the Last AGM and up to the Latest Practicable Date.

Reasons for and benefits of the refreshment of the General Mandate

The Company is principally engaged in the investment in energy and resources related projects and production of raw materials for power generation and construction of highways in the PRC.

As the General Mandate has been substantially utilised, and the proceeds from the Placing are intended to be used for the partial payment of the consideration for the acquisition as announced by the Company on 19 September 2008, the Directors consider it is in the interests of the Company and the Shareholders as a whole to grant the New General Mandate by maintaining the financial flexibility necessary for the Company's future business development and/or the funds raised through the issue of new Shares under the New General Mandate upon refreshment.

While there is no current proposal presented by potential investment for placement of Shares, the Directors consider that equity financing through the use of the New General Mandate is an important avenue of resources to the Group, as it (i) does not incur any interest paying obligations on the Group as in bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital

LETTER FROM THE BOARD

raising or prospective investment opportunity as and when it arises. For these reasons, the Directors therefore proposed to seek the approval from the Independent Shareholders at the EGM on the grant of the New General Mandate.

The Company had an aggregate of 1,567,393,158 Shares in issue as at the Latest Practicable Date. Assuming that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of the EGM and subject to the passing of the ordinary resolution for the approval of the grant of the New General Mandate, the New General Mandate (if granted) will empower the Directors to allot, issue or otherwise deal with up to a maximum of 313,478,631 new Shares. At the EGM, and subject to the ordinary resolution relating to the grant of the New General Mandate being passed by the Independent Shareholders, the General Mandate will be revoked.

Implication of the Listing Rules

Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling shareholders (within the meaning of the Listing Rules) and their associates, or where there are no controlling shareholders, the directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the grant of the New General Mandate and such resolution shall be voted on by way of poll.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, there was no controlling Shareholder and apart from (i) Mr. Leung Ngai Man, an executive Director and the chairman of the Company and the beneficial owner of Climax Park Limited which owned 163,550,000 Shares (representing approximately 10.43% of the issued share capital of the Company as at the Latest Practicable Date); and (ii) Mr. Wong Wa Tak, an executive Director and the beneficial owner of Master Hill Development Limited which owned 1,600,000 Shares (representing approximately 0.10% of the issued share capital of the Company as at the Latest Practicable Date), none of the Directors (including Mr. Yeung Kit, an executive Director) and/or their associates were interested in any issued Shares. Accordingly, Mr. Leung Ngai Man, Mr. Wong Wa Tak, Climax Park Limited, Master Hill Development Limited and any Directors who owned Shares as at the date of the EGM and their respective associates are required to abstain from voting in favour of the resolution at the EGM, and such resolution shall be voted on by way of poll.

An Independent Board Committee has been established to make recommendations to the Independent Shareholders, and Asia Investment has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

Period during which the New General Mandate will remain effective

The New General Mandate will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by the Articles or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

LETTER FROM THE BOARD

EGM

The notice of the EGM is set out on pages 15 to 17 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

At the EGM, an ordinary resolution will be proposed to approve the grant of the New General Mandate.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the EGM or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor 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 EGM or any adjournment thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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.

RECOMMENDATION

The Directors are of the opinion that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to approve the grant of the New General Mandate.

In addition, your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 7 of this circular and the letter of advice from Asia Investment set out on pages 8 to 14 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate and the principal factors considered by it in arriving at its recommendation.

Yours faithfully,
By Order of the Board
Sino Prosper Holdings Limited
Yeung Kit
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



SINO PROSPER HOLDINGS LIMITED

中盈控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 766)

7 May 2009

To the Independent Shareholders

Dear Sir/Madam,

REFRESHMENT OF THE GENERAL MANDATE

We refer to the circular issued by the Company to the Shareholders and dated 7 May 2009 (“**Circular**”) of which this letter form part.

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the granting of the New General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 7 May 2009 (the “Circular”), of which this letter forms part. Terms defined in this Circular have the same meanings when used herein unless the context otherwise requires.

Having considered the advice of Asia Investment in relation to the proposed grant of the New General Mandate as set out in the Circular, we are of the opinion that the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole and the terms of the granting of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the grant of the New General Mandate.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Chan Sing Fai

Mr. Cai Wei Lun

Dr. Leung Wai Cheung

Independent non-executive Directors

LETTER FROM ASIA INVESTMENT



亞洲資產管理 ASIA INVESTMENT MANAGEMENT

Asia Investment Management Limited

Unit B, 14/F, Vulcan House,
21-23 Leighton Road,
Causeway Bay, Hong Kong

7 May 2009

*To The Independent Board Committee and
the Independent Shareholders of
Sino Prosper Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the General Mandate, details of which are contained in the “Letter from the Board”, on page 3 to page 6 of the circular of the Company dated 7 May 2009 (the “Circular”) to the Shareholders. Capitalised terms used in this letter shall have the same meanings as defined in the Circular of which this letter forms part unless the content otherwise requires.

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders’ approval by way of poll at the EGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution for approving the new general mandate as required under Rule 13.36(4)(a) of the Listing Rules. To the best knowledge and belief of the Directors, as at the Latest Practicable Date, there was no controlling Shareholder, and Mr. Leung Ngai Man and Mr. Wong Wa Tak, both of whom are executive Directors, are respectively interested in 163,550,000 Shares and 1,600,000 Share, representing approximately 10.43% and 0.10% of the existing issued share capital of the Company. Both Mr. Leung Ngai Man and Mr. Wong Wa Tak will abstain from voting the resolution approving the New General Mandate.

The Independent Board Committee comprising Messrs. Chan Sing Fai, Cai Wei Lun and Leung Wai Cheung, being the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the granting of the New General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

LETTER FROM ASIA INVESTMENT

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all information, opinions and representations contained or referred to in the Circular are true, accurate and complete in all material respects as at the date of the Circular and that they may be relied upon in formulating our opinion.

The Directors have confirmed to us that no material facts have been withheld or omitted from the information supplied and opinions expressed. We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view to provide a reasonable basis for our opinion. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group. Our opinion is necessarily based on the financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. We are not accountable for any investigation and due diligence works for the transactions undertaken or to be undertaken by the Group as mentioned in this letter and our recommendation is purely formulated based on current circumstances after the said transactions have been announced and the General Mandate has been utilised.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the proposed granting of the New General Mandate, we have considered the following principal factors and reasons:

Background of and reasons for the New General Mandate

The Group is principally engaged in the investment in energy and resources related projects and production of raw material for power generation and construction of highways.

At the Last AGM, the Shareholders approved, among other things, to grant to the Directors the General Mandate under which the Directors are authorized to allot, issue and deal with up to 257,232,631 Shares, which is equivalent to the then 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Last AGM.

LETTER FROM ASIA INVESTMENT

During the period from the grant of the General Mandate to the Latest Practicable Date, the General Mandate was almost fully utilised (representing approximately 99.99% of the aggregate number of Shares which were allotted and issued under the General Mandate) as to the issue of the Placing Shares at the issue price of HK\$0.033 per Share pursuant to the Placing Agreement, details of which are set out in the announcement of the Company dated 15 October 2008. If the General Mandate was not renewed, only 2,631 new Shares may be further issued under the General Mandate. In addition, we were advised by the Directors that the next annual general meeting will not be held until around September 2009, which is about 5 months away from the Latest Practicable Date. If the General Mandate (which has been almost fully utilised) is not to be refreshed in the EGM, the Company will not have sufficient general mandate, if so required, until the general mandate is approved in the next annual general meeting.

As announced by the Company on 19 September 2008, the Company had on 10 June 2008 entered into an acquisition agreement (as amended and supplemented by a supplemental agreement dated 27 August 2008) with Mr. Leung Ngai Man to acquire the 100% equity interest in Agortex Development Limited (“Agortex”) and all obligations, liabilities and debts owing to or incurred by Mr. Leung Ngai Man for a total consideration of RMB230 million as of which (i) RMB180 million to be settled in cash; and (ii) RMB50 million to be settled by way of up to 351,123,595 new Shares to be issued by the Company at HK\$0.16 per Share. The Company would seek specific mandate from Shareholders to issue and allot the consideration Shares under the above transaction. It is intended that the cash consideration will be financed by internal cash resources. Agortex owns a 100% interest in a company incorporated in Hong Kong which in turn owns a 100% equity interest in a wholly foreign-owned enterprise in the PRC (“WFOE”). The WFOE currently holds a business licence with its business scope covering the provision of technical consultation, among others, of exploration and exploitation of industrial mines. The WFOE has entered into a purchase agreement to acquire from an independent third party the exploitation right to a mine located at Wafang Village, Tougou town, Chengde County, Chengdu City, the exploration right to another mine located at Sanjia Village, Chengde County, Chengdu City and the related processing plants, at a total consideration of RMB90 million. The predominant mineral, in these two mines is iron. The transaction is subject to various conditions, including Shareholders and regulatory approvals, and may or may not proceed.

As announced by the Company on 28 April 2009, the Group had on 17 April 2009 entered into an acquisition agreement with Mr. Leung Ngai Man to acquire the 100% equity interest in Nice Think Group Limited (“NT Group”) and all obligations, liabilities and debts owing to or incurred by Mr. Leung Ngai Man for a total consideration of RMB300 million as of which (i) RMB120 million to be settled by way of convertible bonds; and (ii) RMB180 million to be settled by way of promissory note. Under the agreement, there would be adjustment consideration to a maximum of RMB360 million to be settled by way of further issuance of additional promissory note of RMB60 million. Upon completion, NT Group and its subsidiaries would be expected to carry out exploration works in three mines located at Heilongjiang province with predominant resources of various kinds of metals including copper and gold. The transaction is subject to various conditions, including Shareholders, and regulatory approvals, and may or may not proceed.

LETTER FROM ASIA INVESTMENT

The Company has been on the lookout for good investment opportunity to generate greater return for Shareholders. With a view to maintaining the financial flexibility for the Group to manage its business and to raise additional equity capital for any future business development and investment opportunities, the Directors therefore propose to seek the Independent Shareholders' approval at the EGM for the grant of the New General Mandate so that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing of the relevant resolution approving the New General Mandate. On the basis of a total of 1,567,393,158 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the date of EGM, the New General Mandate (if granted) will empower the Directors to allot, issue and deal with up to a maximum of 313,478,631 Shares, representing 20% of the issue share capital of the Company as at the date of EGM.

As set out in the Letter from the Board, the Board believes that the granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development. The Board also considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

The outlook for the global financial markets has remained gloomy and volatile since the financial turmoil and credit is still very tight. It is considered that it is important for the Company to allow flexibility to possible equity fund raising opportunity. As such, we are of the opinion that the New General Mandate would provide the Company with the necessary flexibility essential for fulfilling any possible funding needs for future business development and/or investment decision and that the granting of the New General mandate will be in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM ASIA INVESTMENT

History of fund raising activities of the Group during the last 12 months

According to the information provided by the Directors, we summarise the fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date in the following table:

Date of announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds
15 October 2008	Placing of 257,230,000 Shares at the price of HK\$0.033 per Share	Approximately HK\$7.8 million	Partial payment of the consideration under the acquisition agreement dated 10 June 2008 (as amended and supplemented by a supplemental agreement dated 27 August 2008)	Yet to be utilized as the partial consideration under the acquisition agreement dated 10 June 2008 (as amended and supplemented by a supplemental agreement dated 27 August 2008)

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

The bank balances and cash of the Group was approximately HK\$219 million as at 30 September 2008 according to the latest published interim report of the Company for the six months ended 30 September 2008. The Directors noted that the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, there is no certainty that such cash resources will be adequate for acquisition of appropriate investments that may be identified by the Company in the future. In the event that the Group identifies a suitable investment opportunity and does not have sufficient cash resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Group may lose its opportunity in an otherwise favourable investment.

Other financing alternatives

As debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund such investments and/or acquisition and provide additional working capital for the future development and expansion of the Group, given the Group financial position, capital structure, cost of funding and the then financial market condition. Other financing methods such as debt financing and internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances.

LETTER FROM ASIA INVESTMENT

We consider that the granting of the New General Mandate will provide the Company with an additional alternative given the current gloomy debt financing market. It is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the granting of the New General Mandate will be in the interests of the Company and the Independent Shareholders as a whole.

Potential dilution to shareholding of the Independent Shareholders

We set out below the table depicting the shareholding structure of the Company as at the Latest Practicable Date and for illustrative purpose, the potential dilution effect on the shareholdings upon full utilisation of the New General Mandate, assuming no Shares are issued or repurchased during the period between the Latest Practicable Date and the date of EGM:

Name of Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	Shares	%	Shares	%
Mr. Leung Ngai Man	163,550,000	10.43	163,550,000	8.69
Mr. Wong Wa Tak	1,600,000	0.10	1,600,000	0.09
Public Shareholders	1,402,243,158	89.47	1,402,243,158	74.55
Shares that may be issued under the New General Mandate	–	–	313,478,631	16.67
Total	<u>1,567,393,158</u>	<u>100.00</u>	<u>1,880,871,789</u>	<u>100.00</u>

Note: On 10 June 2008 and 17 April 2009, the Group entered into two acquisition agreements pursuant to which the Group would acquire certain interests in mines which are located in Chengdu and Heilongjiang, the PRC from Mr. Leung Ngai Man, an executive Director and a substantial Shareholder. Upon completion of the said acquisitions and assuming that (i) the issue of consideration shares as contemplated under the acquisition agreement dated 10 June 2008; (ii) the issue of the conversion shares as contemplated under the convertible bonds to be issued under the acquisition agreement dated 17 April 2009; and (iii) the New General Mandate has been fully utilised, the shareholding interest of the existing public Shareholders would represent approximately 34.62% of the enlarged issued share capital of the Company. The said transactions are subject to various conditions, including Shareholders' and regulatory approvals, and may or may not proceed.

As illustrated in the table above, assuming no Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of the EGM, 313,478,631 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% the issued share capital as at the date of EGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 89.47% as at the Latest Practicable Date to approximately 74.55% upon full utilisation of the New General Mandate. The potential dilution to the shareholding of the Shareholders

LETTER FROM ASIA INVESTMENT

represents a dilution of approximately 16.67%. The above table did not take into account the possible impacts of the conditional acquisitions as announced by the Company on 19 September 2008 and 28 April 2009 respectively, which are subject to various conditions and which transactions may or may not proceed.

Taking into account that (i) the New General Mandate will provide an alternative to increase the amount of capital which may be raised under the New General Mandate; (ii) the New General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current gloomy debt financing market; and (iii) the fact that the shareholding interests of all the Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider that such potential dilution to shareholdings of the existing public Shareholders to be justifiable.

RECOMMENDATION

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the proposed refreshment of the General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) approving the New General Mandate at the EGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,

For and on behalf of

Asia Investment Management Limited

Alice Kan

Hidulf Kwan

Managing Director

Associate Director

NOTICE OF EGM



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Sino Prosper Holdings Limited (the “**Company**”) will be convened at 10:00 a.m. on Monday, 25 May 2009 at Units 1702-04, 17/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution (with or without modifications):

1. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and all other applicable laws, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal in the unissued shares (each, a “**Share**”) in the capital of the Company and to make or grant offers, agreements and options (including any warrants, bonds and debentures convertible into Shares) which might require the exercise of such powers be and the same 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 any warrants, bonds and debentures convertible into ordinary Shares) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) and (b) above (otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes or similar arrangement of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or

NOTICE OF EGM

conversion under the terms of any warrants of the Company or any securities which are convertible into Shares) shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary 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;

(d) 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 the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**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 whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares as at that date (subject to such exclusions or other arrangements as the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong); and

(e) the general mandate granted to the Directors to exercise power of the Company to allot, issue and deal in securities of the Company at the annual general meeting of the Company held on 26 September 2008 be and is hereby revoked (without prejudice to the valid exercise of such general mandate, if any, prior to the passing of this resolution).”

Yours faithfully,
By Order of the Board
Sino Prosper Holdings Limited
Yeung Kit
Executive Director

Hong Kong, 7 May 2009

NOTICE OF EGM

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 1702-04, 17/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not to be a Shareholder.
- (2) To be valid, the form of proxy together with the 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 Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint 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 to if more than one of such joint holders are present at the above 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.
- (5) Pursuant to Rule 13.36(4)(a) of the Listing Rules, any controlling Shareholders (within the meaning of the Listing Rules) and their associates, or where there are no controlling Shareholders, the directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution as set out in the notice convening the above meeting and such resolution shall be voted on by way of a poll.