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SINO PROSPER (GROUP) HOLDINGS LIMITED

中盈（集團）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 8 September 2022 (after trading hours), Sino Prosper Mineral, a wholly-owned subsidiary of the Company, and Sino Mineral Trading (Mauritius) entered into the MOU, pursuant to which Sino Prosper Mineral may purchase lithium carbonate from Sino Mineral Trading (Mauritius).

THE MOU

Set out below are the details of the MOU:

Date : 8 September 2022

- Parties: (i) Sino Prosper Mineral; and
- (ii) Sino Mineral Trading (Mauritius)

Based on the fact that the affiliated company of Sino Mineral Trading (Mauritius) has obtained 9 lithium mining licenses in Republic of Zimbabwe in Africa, covering an area of approximately 1,300 hectares. This affiliated company is responsible for local exploration, mining and equipment investment etc in accordance with NI43-101 standard.

Sino Mineral Trading (Mauritius) shall purchase lithium carbonate (Li_2CO_3) processed by its affiliate company in Republic of Zimbabwe and ships to the PRC. Sino Prosper Mineral is responsible for soliciting potential buyers and related sales.

The MOU serves as a consensus statement on the recognition of the Possible Transaction by both parties, but should not be regarded as the basis for any legal responsibility of the parties. For specific cooperation projects, both parties shall enter into a formal cooperation agreement in accordance with the cooperation. In case of any conflict between the MOU and the Formal Cooperation Agreement, the Formal Cooperation Agreement shall prevail.

Sino Prosper Mineral shall conduct due diligence procedures before entering into the Formal Cooperation Agreement. If the Directors are satisfied with the due diligence result, Sino Prosper Mineral will enter into the Formal Cooperation Agreement to purchase lithium carbonate from Sino Mineral Trading (Mauritius).

INFORMATION ABOUT SINO MINERAL TRADING (MAURITIUS)

Sino Mineral Trading (Mauritius), a company incorporated in Mauritius, is ultimately wholly and beneficially owned by Mr. Leung Nga Man. The main business of Sino Mineral Trading (Mauritius) is trading of mineral products.

Mr. Leung Ngai Man is the Chairman of the Board, an executive Director and substantial shareholder (as defined under the Listing Rules) of the Company and Sino Mineral Trading (Mauritius) is therefore a connected person of the Company. Accordingly, the Possible Transaction, if materialises, constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Mr. Leung Ngai Man has a material interest in the Possible Transaction, if materialises, and has abstained from voting on the relevant resolutions in the Board meeting for approving the Possible Transaction, if materialises.

REASONS FOR ENTERING INTO THE MOU

In view of the huge global new energy vehicle market, the demand for lithium carbonate which is the main material for the production of lithium batteries for new energy vehicles continues to grow.

The Company has been actively looking for opportunities. The MOU, if materialises, may enhance the principal business of the Group.

Lithium deposits in the Republic of Zimbabwe are the largest in Africa, according to the data from the African mining market as cited by International Trade Administration of the USA. The government of the Republic of Zimbabwe claims that, with full utilisation of its known lithium resources, the country will meet 20% of total global lithium demand. Four major lithium projects are currently under development in the Republic of Zimbabwe.

The MOU represents a preliminary mutual understanding of the parties regarding the Possible Transaction. The MOU will not create any legal obligations on any of the parties in any respect.

The Possible Transaction, if materialises, may or may not constitute a notifiable transaction and connected transaction of the Company under the Listing Rules. If one of the subsidiaries of the Company enter into the Formal Cooperation Agreement or decide to terminate the MOU or if there are any material developments with respect to the Possible Transaction, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The principal activity of the Company is investment holding. The Group is principally engaged in (i) the investment in energy and natural resources (including precious metals) related projects; (ii) the provision of loan financing and investment and management consultation services in the PRC; and (iii) import, distribution and sales of food and beverage products.

The Directors are of the view that the entering into the MOU will enable the Company to participate in and enter into the huge lithium carbonate market in the PRC, creating synergies with existing businesses, and therefore it is in the interests of the Company and its shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Sino Prosper (Group) Holdings Limited (中盈(集團)控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formal Cooperation Agreement”	the formal sales and purchase agreement which may be entered into in relation to the Possible Transaction
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 8 September 2022 entered into between Sino Prosper Mineral and Sino Mineral Trading (Mauritius)
“Possible Transaction”	the possible purchase of lithium carbonate from Sino Mineral Trading (Mauritius) by Sino Prosper Mineral
“PRC”	the People’s Republic of China
“Sino Mineral Trading (Mauritius)”	Sino Mineral Trading (Mauritius) Limited, a company incorporated in Mauritius
“Sino Prosper Mineral”	Sino Prosper Mineral Products Limited (中盈礦產有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Sino Prosper (Group) Holdings Limited
Leung Ngai Man
Chairman and Executive Director

Hong Kong, 8 September 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Leung Ngai Man and Ms. Wong Li Fong, and the independent non-executive Directors of the Company are Mr. Miao Yanan, Mr. Cai Wei Lun and Mr. Zhang Qingkui.

**For identification purpose only*