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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 1 November 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 gold-bearing metallic ores of specified grade from Sino Mineral Trading (Mauritius).

THE MOU

Set out below are the details of the MOU:

Date : 1 November 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 mining license and EIA certificate for a gold mine with an area of about 0.1 square kilometer in Republic of Zimbabwe in Africa, Sino Mineral Trading (Mauritius) will be responsible for purchasing locally mined products by its affiliated company in Republic of Zimbabwe. Sino Mineral Trading (Mauritius), after purchasing the ore, will process the ore to specified grade of gold-bearing metallic ores agreed by both parties and ship to the PRC, the transaction could be made after The China I/E Commodity Inspection Bureau has issued a document to prove the grade and quantity of the ores. Sino Prosper Mineral also considers investing in the affiliated company of Sino Mineral Trading (Mauritius), but the affiliated company must issue a technical report on gold reserve that complies with JORC or NI43-101 standards as the basis for Sino Prosper Mineral to consider investing in the affiliated company.

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 ore from Sino Mineral Trading (Mauritius). The amount of ore to be purchased is still under negotiation and is subject to due diligence results.

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

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

From January to February 2022, the imports of metal ores and ore sands in the PRC were 218.1 million tons, an increase of 2.68 million tons compared with the same period in 2021, a year-on-year increase of 1.4%, pursuant to data from Huaon Industrial Research Institute (華經產業研究院), a market research report and competitive intelligence provider located in the PRC.

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

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.

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 1 November 2022 entered into between Sino Prosper Mineral and Sino Mineral Trading (Mauritius)
“Possible Transaction”	the possible purchase of gold-bearing metallic ores of specified grade 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, 1 November 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.