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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)

### **TOP-UP PLACING OF EXISTING SHARES TOP-UP SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING**

#### **Joint Placing Agents**



**Phoenix Capital Securities Limited**



**Sinomax Securities Limited**

#### **Joint Financial Advisers**



**Hantec Capital Limited**



**INCUBUS Corporate Finance Limited**

On 7 January 2005, the Vendor entered into the Placing and Subscription Agreement with the Joint Placing Agents and the Company. Pursuant to the Placing and Subscription Agreement, the Vendor agreed to place, through the Joint Placing Agents, an aggregate of 115,000,000 existing Shares, on a fully underwritten basis, to not less than six Placées which will be independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners will not be connected person(s) (as defined in the Listing Rules) of the Company and will be independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates at a price of HK\$0.4 per Share. Pursuant to the Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 115,000,000 Shares at a price of HK\$0.4 per Share.

The Top-Up Placing Shares (or the Top-Up Subscription Shares) of 115,000,000 Shares represent (i) about 14.4% of the existing issued share capital of the Company of 800,000,000 Shares; and (ii) about 12.6% of the issued share capital of the Company of 915,000,000 Shares as enlarged by the Top-Up Subscription.

The Top-Up Placing Price (or the Top-Up Subscription Price) is fixed on 6 January 2005, being the Last Trading Day. The Top-Up Placing Price (or the Top-Up Subscription Price) of HK\$0.4 represents (i) a discount of about 8.0% to the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 4.53% to the average closing price per Share of HK\$0.419 as quoted on the Stock Exchange for the last five full trading days up to the Last Trading Day; and (iii) a premium of about 1.52% over the average closing price per Share of HK\$0.394 as quoted on the Stock Exchange for the last ten full trading days up to the Last Trading Day.

The Top-Up Subscription is conditional upon, among other things, (1) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares and (2) the completion of the Top-Up Placing.

The net proceeds from the Top-Up Subscription of about HK\$44.6 million will be used as the general working capital of the Group and investment funding to the Group on possible investment projects.

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 7 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 11 January 2005.

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

### **Date**

7 January 2005

### **Parties involved**

The Joint Placing Agents, the Company and the Vendor

### **Joint Placing Agents**

Phoenix Capital Securities Limited and Sinomax Securities Limited are the Joint Placing Agents and will receive a placing commission of 2.5% on the gross proceeds of the Top-Up Placing paid by the Company, which was arrived at after arm's length negotiations between the Company and the Joint Placing Agents.

The Joint Placing Agents and each of its ultimate beneficial owners are not connected person(s) (as defined in the Listing Rules) of the Company and are independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

### **Placees**

Not less than six placees (the "Placees") which will be independent individuals, corporate and/or institutional investors, and who and whose ultimate beneficial owners will not be connected person(s) (as defined in the Listing Rules) of the Company and will be independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Top-Up Placing.

### **Number of Top-Up Placing Shares**

The Top-Up Placing Shares of 115,000,000 Shares represent (i) about 14.4% of the existing issued share capital of the Company of 800,000,000 Shares; and (ii) about 12.6% of the issued share capital of the Company of 915,000,000 Shares as enlarged by the Top-Up Subscription.

**Top-Up Placing Price**

The Top-Up Placing Price (or the Top-Up Subscription Price) is fixed on 6 January 2005, being the Last Trading Day. The Top-Up Placing Price (or the Top-Up Subscription Price) of HK\$0.4 represents (i) a discount of about 8.0% to the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 4.53% to the average closing price per Share of HK\$0.419 as quoted on the Stock Exchange for the last five full trading days up to the Last Trading Day; and (iii) a premium of about 1.52% over the average closing price per Share of HK\$0.394 as quoted on the Stock Exchange for the last ten full trading days up to the Last Trading Day.

The Top-Up Placing Price is negotiated on an arm's length basis among the Vendor, the Company and the Joint Placing Agents. The Directors consider that the terms of the Top-Up Placing are fair and reasonable based on the current market conditions and in the interests of the Company and its Shareholders as a whole.

**Condition of the Top-Up Placing**

The Top-Up Placing is unconditional. Completion will take place on the second business day after the first trading day after the resumption of trading in the Shares or such other date as may be agreed between the parties.

**Top-Up Subscription Price**

The Top-Up Subscription Price is HK\$0.4 per Share. The Top-Up Subscription Price is the same to the Top-Up Placing Price and is determined after arm's length negotiation among the Company, the Vendor and the Joint Placing Agents with reference to the Top-Up Placing Price of the Top-Up Placing Shares.

**Number of Top-Up Subscription Shares**

The number of Top-Up Subscription Shares is equivalent to the number of Top-Up Placing Shares, being 115,000,000 Shares.

**Ranking of Top-Up Subscription Shares**

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Top-Up Subscription Shares.

**Conditions of the Top-Up Subscription**

The Top-Up Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares and (ii) completion of the Top-Up Placing.

Application will be made to the Stock Exchange to grant the listing of, and permission to deal in, the Top-Up Subscription Shares.

**Completion**

Under the Listing Rules, the Top-Up Subscription must be completed within 14 days after the date of the Placing and Subscription Agreement, that is, on or before 20 January 2005.

In the event that the conditions to the Placing and Subscription Agreement are not fulfilled by 20 January 2005, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules, to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor and further announcement will be made by the Company.

## EFFECTS ON SHAREHOLDING

Name of Shareholder	Immediately before completion of the Top-Up Placing		Immediately after completion of the Top-Up Placing but before the Top-Up Subscription		After completion of the Top-Up Placing and the Top-Up Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Climax Park Limited (Note 1)	480,330,000	60.04	365,330,000	45.67	480,330,000	52.49
The Placees	nil	–	115,000,000	14.37	115,000,000	12.57
Public shareholders	319,670,000	39.96	319,670,000	39.96	319,670,000	34.94
	<u>800,000,000</u>	<u>100.00</u>	<u>800,000,000</u>	<u>100.00</u>	<u>915,000,000</u>	<u>100.00</u>

### Notes:

1. These 480,330,000 Shares were held and beneficially owned by Climax Park Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Leung Ngai Man, the Chairman and executive Director.
2. To the best knowledge of the Directors, other than Climax Park Limited, there are no other substantial Shareholders and connected persons of the Company holding Company's shares.

## REASON FOR THE TOP-UP PLACING AND TOP-UP SUBSCRIPTION AND USE OF PROCEEDS

The Directors considered various ways of raising funds and consider that the Top-Up Placing and Top-Up Subscription represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

The gross proceeds from the Top-Up Subscription is HK\$46.0 million. The net proceeds from the Top-Up Subscription (after deducting the underwriting commission for the Top-Up Placing and other expenses which would be paid by the Company) of approximately HK\$44.6 million will be used as the general working capital of the Group and investment funding to the Group on possible investment projects. As at the date of this announcement, no concrete plans or investment projects have been reached or identified and there is no definite plan as to the allocation of the net proceeds on general working capital or investment funding. Further announcement will be made should there be any development of such possible acquisition.

## GENERAL

The Group is principally engaged in property development and management in the PRC and investment in coal gas production and power generation in the northern PRC.

### General Mandate

The Top-Up Subscription Shares will be issued under the general mandate ("General Mandate") to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting (the "AGM") of the Company held on 24 August 2004 subject to the limit up to 20% of the issued share capital of the Company (i.e. 160,000,000 Shares) as at the date of passing the resolution at the AGM. As at the date of this announcement, none of the new Shares has been issued under the General Mandate and no fund raising activities was carried out by the Company in the 12 months immediately preceding the date of this announcement.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 7 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 11 January 2005.

## TERMS AND DEFINITION

“Board”	:	The board of directors of the Company
“Company”	:	Sino Prosper Holdings Limited, a limited liability company incorporated in Cayman Islands and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	:	director(s) of the Company
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	:	6 January 2005, being the last trading day for the Shares prior to this announcement and on which trading of Shares being suspended at 9:30 a.m. on 7 January 2005 pending release of this announcement
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“Joint Placing Agents”	:	Phoenix Capital Securities Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance, and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Sinomax Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing and Subscription Agreement”	:	the placing and subscription agreement entered into between the Vendor, the Company and the Joint Placing Agents dated 7 January 2005 in relation to the Placing
“PRC”	:	the People’s Republic of China but excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholder(s)”	:	holder(s) of the Share(s)
“Share(s)”	:	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Top-Up Placing”	:	the placing of 115,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of the Placing and Subscription Agreement
“Top-Up Placing Price”	:	HK\$0.4 per Share
“Top-Up Placing Shares”	:	An aggregate of 115,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing and Subscription Agreement

- “Top-Up Subscription” : the subscription of 115,000,000 new Shares pursuant to the term of Placing and Subscription Agreement
- “Top-Up Subscription Price” : HK\$0.4 per Share
- “Top-Up Subscription Shares” : a total of 115,000,000 new Shares to be subscribed for by the Vendor pursuant to the Placing and Subscription Agreement
- “Vendor” : Climax Park Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Leung Ngai Man, the Chairman and executive Director
- “HK\$” : Hong Kong dollars, the lawful currency of Hong Kong
- “%” : per cent.

By order of the Board  
**Sino Prosper Holdings Limited**  
**Yeung Kit**  
*Executive Director*

Hong Kong, 10 January 2005

*As at the date of this announcement, Mr. Leung Ngai Man, Mr. Yeung Kit are the executive directors and Mr. Chan Sing Fai, Mr. Cai Wei Lun, Mr. Leung Wai Cheung are the independent non-executive directors.*

Please also refer to the published version of this announcement in The Standard.