

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 0001 OF 2014

IN THE MATTER OF Sino Prosper (Group) Holdings Limited

AND in the matter of the Companies Law (2013 Revision)

AND the Grand Court Rules 1995 Order 102

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of Sino Prosper (Group) Holdings Limited shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2013 Revision) (the "Companies Law") confirming a reduction of the share capital of the Petitioner, Sino Prosper (Group) Holdings Limited (the "Company").
2. The Company was incorporated on 26 October, 2001 under the Companies Law with the name of "Sino Prosper Holdings Limited 中盈控股有限公司" and registered in the Cayman Islands as an exempted company with registration number 113672. On 24 November, 2009, the name of the Company was changed from "Sino Prosper Holdings Limited 中盈控股有限公司" to "Sino Prosper State Gold Resources Holdings Limited 中盈國金資源控股有限公司". On 12 December, 2013, the Company further changed its name from "Sino Prosper State Gold Resources Holdings Limited 中盈國金資源控股有限公司" to "Sino Prosper (Group) Holdings Limited 中盈(集團)控股有限公司".

3. The registered office of the Company is situated at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
4. At the date of incorporation of the Company, its authorised share capital was HK\$100,000 divided into 1,000,000 ordinary shares with a nominal or par value of HK\$0.10 each (the "Shares").
5. By way of a written resolution of the sole shareholder of the Company passed on 24 April, 2002, each of the issued and unissued Shares of nominal or par value of HK\$0.10 in the share capital of the Company was subdivided into 10 Shares of HK\$0.01 each.
6. By way of a written resolution of the sole shareholder of the Company passed on 25 April, 2002, the authorised share capital of the Company was increased from HK\$100,000 to HK\$200,000 divided into 20,000,000 Shares of HK\$0.01 each. On the same day, by way of a written resolution of the sole shareholder of the Company, the authorised share capital of the Company was further increased from HK\$200,000 to HK\$200,000,000 divided into 20,000,000,000 Shares of HK\$0.01 each.
7. On 24 February, 2012, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to consolidate every 10 issued and unissued Shares of HK\$0.01 each into one Share of HK\$0.10 with effect from 27 February, 2012.
8. On 11 October, 2013, a resolution was passed by the shareholders of the Company at an extraordinary general meeting to increase the authorised share capital of the Company from HK\$200,000,000 to HK\$400,000,000 divided into 4,000,000,000 Shares of HK\$0.10 each.
9. As at the date of this Petition, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares with a nominal or par value of

HK\$0.10 each and its issued share capital is HK\$81,358,759.7 divided into 813,587,497 Shares with a nominal or par value of HK\$0.10 each which have been fully paid-up or credited as fully paid-up.

10. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since 15 May, 2002 under stock code number 766. Over the years, the Company has allotted and issued various tranches of ordinary shares, being the only class of shares of the Company.
11. The objects for which the Company was established are unrestricted and include, without limitation:
 - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policies, administration, management, supervision, control, research, planning, trading and any other activities of any subsidiary or affiliated company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company or affiliated company is now or may become a member or which are now or may become in any manner associated with or controlled directly or indirectly by the Company;
 - (b) to carry on all, or any one or more, of the following businesses in all or any of their various aspects:
 - (i) providing services of any kind, financial or otherwise, in, from and to any part of the world outside the Cayman Islands;
 - (ii) general trading, importing, exporting, buying, selling and dealing in goods, materials, substances, articles and merchandise of all kinds in, from and to any part of the world, whether as principal or as agent;

- (iii) manufacturing, processing and/or extracting or taking goods, materials, substances, articles and merchandise of all kinds in any part of the world; and
 - (iv) investing, developing, dealing in and/or managing real estates or interests therein in any part of the world outside the Cayman Islands.
- (c) to carry on any other business of any nature whatsoever which may seem to the directors of the Company to be capable of being conveniently carried on in connection with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view to rendering profitable or more profitable any of the Company's assets or utilising its know-how or expertise;
- (d) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.

12. The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of investment holding, including investment in energy and natural resources (including precious metals) related projects in the PRC and loan financing activities.

13. The Articles of Association of the Company provide, *inter alia*, as follows:

“7. The Company in general meeting may from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such class or classes and of such amounts in Hong Kong dollars or United States dollars or such other currency as the shareholders may think fit and as the resolution may prescribe.”

“13. The Company may from time to time by ordinary resolution:

- (i) increase its capital as provided by Article 7;
- (ii) consolidate or divide all or any of its capital into shares of larger or smaller amount than its existing shares; and on any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into a consolidated share, and if it shall happen that any person shall be come entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise

be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interest or may be paid to the Company for the Company's benefit;

- (iii) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;
- (v) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights;
- (vii) change the currency of denomination of its share capital; and
- (viii) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law."

"14. The Company may by Special Resolution reduce its share capital or undistributable reserve in any manner authorised, and subject to any conditions prescribed by the law."

14. By a special resolution of the Company (the "Special Resolution") in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 11 December, 2013 (the "Extraordinary General Meeting"), it was resolved:

"(1) THAT subject to and conditional upon (i) the approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the "Court"); (ii) compliance with any conditions which the Court may impose in relation to the Capital Reduction (as defined below); (iii) the registration by the

Registrar of Companies in the Cayman Islands of the order of the Court and the minute approved by the Court containing the particulars required under the Companies Law (as revised) of the Cayman Islands in respect of the Capital Reduction (as defined below); and (iv) the Listing Committee granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction (as defined below), with effect from the date on which these conditions are fulfilled (the "Effective Date"):

- (a) reducing the issued and paid-up capital of each of the issued shares from HK\$0.1 to HK\$0.01 per share by cancelling paid-up capital to the extent of HK\$0.09 per share by way of a reduction of capital (the "Capital Reduction"), so as to form ordinary shares with par value of HK\$0.01 each (the "New Shares");
- (b) the credits arising from the Capital Reduction be applied towards cancelling the accumulated deficit of the Company as at the Effective Date (if any) and the balance (if any) be transferred to the capital reduction reserve account of the Company or other reserve account of the Company which may be utilised by the directors of the Company as a distributable reserve in accordance with the articles of association of the Company and all applicable laws (the "Application of Credit");
- (c) Immediately following the Capital Reduction, each of the authorised but unissued ordinary shares of HK\$0.1 each be sub-divided into ten (10) unissued ordinary shares with a par value of HK\$0.01 each (the "Subdivision"), and all such shares resulting from the Capital Reduction and Share Subdivision shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company, and that the directors of the Company be and are hereby authorised to do all such acts, deeds and things and execute all documents they consider necessary or

expedient to give effect to the aforesaid Capital Reduction, Application of Credit and Share Subdivision.”

- (d) all of the New Shares resulting from the Capital Reduction and Sub-division shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company; and
- (e) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, application of the credit arising from the Capital Reduction and the Sub-division.”

“(2) THAT subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands, the name of the Company be and is hereby changed from “Sino Prosper State Gold Resources Holdings Limited” to “Sino Prosper (Group) Holdings Limited” and to adopt “中盈(集團)控股有限公司” as the dual foreign name of the Company to replace “中盈國金資源控股有限公司” which has been used for identification purposes only with effect from the date of entry of the new name and new dual foreign name on the register maintained by the Registrar of Companies in the Cayman Islands, and the directors of the Company be and are hereby authorised to do all such acts, deeds and things and execute all documents they consider necessary or expedient to give effect to the aforesaid change of name and the adoption of dual foreign name of the Company.”

Each of the capitalised terms referred to in the Special Resolutions above and not otherwise defined therein is defined in the notice of the Extraordinary General Meeting exhibited to the affirmation of Ng Kwok Chu, Winfield. (“NKC-4”).

15. The number of members of the Company present and voting in person or by proxy at the Extraordinary General Meeting is as set out in the table below:

Special Resolutions		For <i>Number of Shares</i> <i>(approximate %)</i>	Against <i>Number of Shares</i> <i>(approximate %)</i>
1	To approve the Capital Reduction, Application of Credit and Subdivision as defined in the Company's circular dated 18 November 2013	158,618,000 (92.23%)	13,356,000 (7.77%)
2	To approve the Change of Name as defined in the Company's circular dated 18 November 2013 from "Sino Prosper State Gold Resources Holdings Limited" to "Sino Prosper (Group) Holdings Limited" and to adopt "中盈(集團)控股有限公司" as the dual foreign name of the Company to replace "中盈國金資源控股有限公司"	171,974,000 (100%)	0 (0%)

The Special Resolutions were presented to the meeting and voted on by way of a poll. The members present and voting in person or by proxy, representing not less than three-fourths of the votes cast, voted to approve the Special Resolution and the chairman of the Extraordinary General Meeting declared the resolution passed in accordance with the Articles of Association of the Company.

16. The Special Resolution to approve and give effect to the Capital Reduction was duly passed at an extraordinary general meeting, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Law.
17. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital of the Company to its shareholders. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the shareholders of the Company.
18. The form of Minutes proposed to be registered is as follows:

"The issued share capital of the Company was by virtue of a special resolution passed on 11 December, 2013 and with sanction of an Order of the Grand Court of the Cayman Islands dated [●] 2014 be reduced from HK\$0.10 per each issued share to HK\$0.01 per each issued share (the "Capital Reduction"). Immediately following from the Capital Reduction, each of the authorised but unissued shares of HK\$0.10 each in the share capital of the Company be and is sub-divided into 10 unissued shares of HK\$0.01 each. At the date of the registration of this Minutes, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each"

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 14 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on Sino Prosper (Group) Holdings Limited, at its registered office located at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Dated this 3rd day of January 2014

Conyers Dill & Pearman (Cayman) Limited
Conyers Dill & Pearman (Cayman) Limited
Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the 3rd day of January 2014 will be heard at the Law Courts, George Town, Grand Cayman on the day of 2014 at am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman (Cayman) Limited, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands