

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your Ordinary Shares in the Company please forward this document, together with the accompanying form of proxy, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **Prosperity Minerals Holdings Limited**

*(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered no. 92284)*

### **Notice of Annual General Meeting**

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**NOTICE OF THE 2011 ANNUAL GENERAL MEETING AND A LETTER FROM YOUR CHAIRMAN, INCLUDING AN EXPLANATION OF THE SPECIAL BUSINESS TO BE CONDUCTED AT THAT MEETING, WHICH IS TO BE HELD ON 26 AUGUST 2011 AT 5.00 P.M. (MACAU TIME) (10.00 A.M. LONDON TIME) AT ALAMEDA DR. CARLOS D'ASSUMPCAO, NOS.181-187 CENTRO COMERCIAL DO GRUPO BRIHANTISMO, 11° ANDAR "T", MACAU, ARE SET OUT HEREIN.**

# Prosperity Minerals Holdings Limited

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered no. 92284)

## Directors:

(David) Ben Koon Wong (*Chairman and Chief Executive Officer*)  
Patrick Siu Ming Li (*Executive Director and Chief Financial Officer*)  
Johannes Petrus Mulder (*Executive Director*)  
John Campbell Robertson (*Independent Non-executive Director*)  
Anthony John Williams (*Independent Non-executive Director*)  
Sandy Chun-Kwan Chim (*Non-executive Director*)  
Michael Kim Hung Yuen (*Independent Non-executive Director*)  
Yu Lin Zhao (*Independent Non-executive Director*)  
Even Sheng (*Independent Non-executive Director*)

## Registered office:

Ogier House  
The Esplanade  
St Helier Jersey  
JE4 9WG  
Channel Islands

\* Mr Ben Koon Wong is commonly known as David Wong and is referred to as such throughout this document

25 July 2011

Dear Shareholder

## **NOTICE OF THE FIFTH ANNUAL GENERAL MEETING OF PROSPERITY MINERALS HOLDINGS LIMITED**

I am writing to inform you that the AGM of the Company will be held at 5.00 p.m. (Macau time) (10.00 a.m. London time) on 26 August 2011 at Alameda Dr. Carlos D'Assumpcao, nos.181-187 Centro Comercial do Grupo Brihantismo, 11° andar "T", Macau. The formal notice of the AGM is set out on pages 5 to 7 (inclusive) of this document.

### **ORDINARY BUSINESS**

#### **Annual report and accounts (Resolution 1)**

The Directors of the Company present to the Shareholders for approval at the AGM the annual report and accounts for the financial period ended 31 March 2011 together with the Directors' and Auditors' reports on the annual report and accounts. A copy of the annual report and accounts was sent to Shareholders today and is available for download from [www.pmhl.co.uk](http://www.pmhl.co.uk).

#### **Dividend (Resolution 2)**

A final dividend of US 9 cents per Ordinary Share is recommended by the Directors for payment to Shareholders on the register of members of the Company at close of business on 19 August 2011. The Ordinary Shares will become ex-dividend on 17 August 2011. Subject to the passing of Resolution 2 at the AGM, the final dividend will be paid on 9 September 2011. No interim dividend was declared following the financial results for the first half ended 30 September 2010.

#### **Special Dividend (Resolution 3)**

A special dividend of US 9 cents per Ordinary Share is recommended by the Directors for payment to Shareholders on the register of members of the Company at close of business on 19 August 2011. The Ordinary Shares will become ex-dividend on 17 August 2011. Subject to the passing of Resolution 3 at the AGM, the special dividend will be paid on 9 September 2011.

#### **Re-appointment and Retirement of Directors (Resolutions 4, 5 and 6)**

Pursuant to Article 33 of the Company's Articles of Association, at each annual general meeting one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office. A Director who retires at an annual general meeting may, if willing to act, be re-appointed. Accordingly, David Wong, Michael Kim Hung Yuen and Even

Sheng will each retire and subsequently submit themselves for re-election at the AGM in accordance with Article 33.

Brief biographical details of each of the Directors standing for re-election appear in the annual report and accounts.

#### **Auditors (Resolutions 7 and 8)**

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. KPMG have indicated their willingness to continue in office. Accordingly, Resolution 7 re-appoints KPMG as Auditors to the Company and Resolution 8 authorises the Directors to fix their remuneration.

#### **SPECIAL BUSINESS**

##### **Disapplication of pre-emption rights (Resolution 9)**

Under the Law all of the unissued share capital of the Company may be issued by the Directors. Although there are no pre-emption rights attaching to the issue of share capital of the Company under the Law, Article 2.8 of the Articles of Association (to the extent not disapplied pursuant to Article 2.16) confers on the Shareholders rights of pre-emption in respect of the allotment of new Ordinary Shares for cash so that unless Shareholders have given specific authority for the waiver of these pre-emption rights, any new Ordinary Shares will be offered first to existing Shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new Ordinary Shares (or to grant rights over Ordinary Shares) for cash without first offering them to existing Shareholders in proportion to their holdings, and the Directors wish to obtain a new authority to do so. Accordingly, Resolution 9 would authorise the Directors to disapply these pre-emption provisions as specified in that resolution.

Resolution 9 would provide the Directors with a degree of flexibility to act in the best interests of the Company so that:

- (i) the Company can follow normal practice in the event of a rights issue, open offer or other offer of securities in favour of the existing Shareholders in proportion to their shareholdings;
- (ii) Ordinary Shares may be issued in connection with any scrip dividend scheme or similar arrangement implemented in accordance with the Articles of Association; and
- (iii) Ordinary Shares may be issued for cash to persons (whether or not they are existing Shareholders) up to an aggregate nominal amount of £14,640,921 which is equivalent to approximately 10% of the issued ordinary share capital of the Company on 18 July 2011, being the latest practicable date prior to the printing of this document.

If given, the authority will expire at the conclusion of the 2012 annual general meeting or, if earlier, 15 months following this resolution being passed.

It is intended to renew such power at subsequent annual general meetings of the Company.

##### **Authority for the Company to purchase its own shares (Resolution 10)**

The Articles of Association permit the purchase by the Company of its own shares subject to Shareholders' prior approval being obtained.

The Company currently has a general authority granted by Shareholders at the last annual general meeting to repurchase up to 40,345,549 Ordinary Shares (approximately 30% of the Company's issued share capital) at a maximum price to be paid per share of an amount equal to 120% of the average closing mid-market price of such Ordinary Shares (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange plc) for the 5 business days immediately preceding the date of purchase. This authority expires at the conclusion of the AGM. The Board does not intend to seek renewal of this power at the AGM.

The Board will recommend a 10% repurchasing authority and this resolution is to authorise the Company to buy back up to 14,640,920 Ordinary Shares, representing approximately 10% of the Company's issued ordinary share capital as at 18 July 2011 (being the latest practicable date prior to the printing of this document). The authority would expire at the conclusion of the 2012 annual general meeting or, if earlier, 15 months following the resolution being passed. The Board intends to seek renewal of this power at subsequent annual general meetings.

The resolution specifies the maximum number of Ordinary Shares which may be purchased and the maximum and minimum prices at which they may be bought, reflecting the requirements of the Law. Any buy back would only be made on AIM.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any Ordinary Shares will be purchased. No purchase of Ordinary Shares will be made unless it is expected that the effect will be to increase earnings per share and the Board considers it to be in the best interests of all Shareholders. The Directors would only authorise such purchases after careful consideration, taking account of other investment opportunities, appropriate gearing levels, the effect on earnings per share and the overall financial position of the Company.

#### **ACTION TO BE TAKEN**

You will find enclosed a form of proxy for use at the AGM. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by the Company Registrar, Computershare Investor Services PLC, The Pavilions, Bridgewater Rd, Bristol BS99 6ZY as soon as possible and in any event no later than 48 hours before the time appointed for holding the AGM.

#### **RECOMMENDATION**

Your Directors consider that the proposals described in this letter are in the best interests of Shareholders as a whole and unanimously recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings.

Yours sincerely

**David Wong**  
*Chairman*

## **SCHEDULE**

### **DEFINITIONS**

**AGM** (or the **Meeting**) means the annual general meeting of the Company to be held on 26 August 2011;

**AIM** means the AIM Market of London Stock Exchange plc;

**Articles of Association** means the articles of association of the Company;

**Auditors** means the auditors of the Company;

**Board** means the board of Directors of the Company;

**Company** means Prosperity Minerals Holdings Limited, a company incorporated in Jersey under the Law with registered number 92284;

**Directors** means the directors of the Company;

**Law** means the Companies (Jersey) Law 1991, as amended;

**Ordinary Shares** means the ordinary shares of 1 pence each in the capital of the Company;

**Shareholders** means the shareholders of the Company.

# Prosperity Minerals Holdings Limited

*(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered no. 92284)*

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Prosperity Minerals Holdings Limited (the "Company") will be held at Alameda Dr. Carlos D'Assumpcao, nos.181-187 Centro Comercial do Grupo Brihantismo, 11° andar "T", Macau on 26 August 2011 at 5.00 p.m. (Macau time) (10.00 a.m. London time) for the following purposes:

As ordinary business:

- 1 To receive and consider the audited accounts of the Company for the financial period ended 31 March 2011 together with the reports of the Directors and the auditors of the Company on those audited accounts.
- 2 To declare a final dividend of US 9 cents per ordinary share of 1 pence each in the capital of the Company for the year ended 31 March 2011.
- 3 To declare a special dividend of US 9 cents per ordinary share of 1 pence each in the capital of the Company for the year ended 31 March 2011.
- 4 To re-appoint David Wong as a Director of the Company.
- 5 To re-appoint Michael Kim Hung Yuen as a Director of the Company.
- 6 To re-appoint Even Sheng as a Director of the Company.
- 7 To re-appoint KPMG as auditors of the Company to hold office from the conclusion of the AGM to the conclusion of the next annual general meeting at which accounts are laid before the meeting.
- 8 To authorise the Directors to fix the remuneration of the auditors of the Company.

As special business:

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

- 9 THAT, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered, pursuant to and in accordance with Article 2.16 of the Company's Articles of Association to allot Shares (as defined in the Articles of Association of the Company) for cash as if Article 2.8 of the Articles of Association of the Company did not apply to any such allotment, provided that this power shall be limited to:
  - (a) the allotment of equity securities for cash in connection with or pursuant to a rights issue or any other issue in favour of holders of equity securities and other persons entitled to participate therein in proportion (as nearly as may be practicable) to the respective holdings of equity securities then held by them (or, as appropriate, the number of such securities which such other persons are for those purposes deemed to hold), but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements, record dates or any legal or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise howsoever;
  - (b) the allotment of equity securities in connection with any scrip dividend scheme or similar arrangement implemented in accordance with the Articles of Association of the Company; and
  - (c) otherwise than pursuant to sub-paragraphs (a) and (b) above, the allotment of equity securities for cash up to an aggregate nominal amount of £14,640,921, representing approximately 10% of the issued ordinary share capital of the Company on 18 July 2011,

provided further that such power shall expire 15 months from date of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution unless previously revoked, varied or renewed by the Company in general meeting (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry the Directors may allot equity securities in pursuance of such offer or agreement).

10 THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Article 57 of the Companies (Jersey) Law 1991 (as amended) to make one or more purchases on the AIM Market operated by the London Stock Exchange plc, of its own ordinary shares (“Ordinary Shares”) on such terms and in such manner as the Directors shall from time to time determine provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 14,640,921 (representing approximately 10% of the Company's issued ordinary share capital);
- (b) the minimum price which may be paid for an Ordinary Share is its nominal value of £0.01 each;
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the closing mid-market price of such shares (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange plc) for the five business days immediately preceding the date of purchase;
- (d) unless otherwise renewed, varied or revoked, the authority hereby conferred shall expire on the 15 months from the date of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (e) the Company may make a contract or contracts to purchase the Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of the Ordinary Shares in pursuance of any such contract or contracts, and

subject to the provisions of its Articles of Association, the Company be and is hereby generally and unconditionally authorised for the purposes of Article 58A of the Companies (Jersey) Law 1991 (as amended) to hold any Ordinary Shares repurchased under the share buyback authority set out above as treasury shares.

By Order of the Board,

25 July 2011

**Ogier Corporate Services (Jersey) Limited**

Secretary

Registered office:

Ogier House

The Esplanade

St Helier

Jersey JE4 9WG

Channel Islands

**Notes:**

- 1 A Shareholder entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to attend and (on a poll) vote instead of that Shareholder. A proxy need not be a Shareholder of the Company. A proxy may demand, or join in demanding, a poll. A Form of Proxy is provided with this Notice. Completion and return of the Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person. To be effective, the Form of Proxy and any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the Form of Proxy shall not be treated as valid.
- 2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
- 3 Pursuant to Article 15.6 of the Articles of Association of the Company, the Company has specified that only those Shareholders registered on the register of Shareholders of the Company at 5.00 p.m. (Macau time) and 10.00 a.m. (London time) on 24 August 2011 shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the register of Shareholders after 5.00 p.m. (Macau time) and 10.00 a.m. (London time) on 24 August 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 4 Copies of the service agreements between the Company and its Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 4.45 p.m. (Macau time) and 9.45 p.m. (London time) until the conclusion of the meeting.

**Timetable**

	<b>2011</b>
Annual Report and notice of AGM posted	25 July
Ex-dividend date	17 August
Record date	19 August
Latest time and date for receipt of Proxy Forms	5.00 p.m. (Macau time) (10.00 a.m. London time) (10.00 a.m. London time) on 24 August
AGM at 5.00 p.m. (Macau time) (10.00 a.m. London time)	26 August
Announcement of results of AGM	26 August
Payment of cash dividend	9 September