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Prosperity International Holdings (H.K.) Limited

昌興國際控股(香港)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 803)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement released in the London Stock Exchange plc. today by Prosperity Minerals Holdings Limited, which is a direct 54.28%-owned subsidiary of the Company and whose shares are admitted to trading on the AIM market of the London Stock Exchange plc.

By order of the board of directors
Prosperity International Holdings (H.K.) Limited
Wong Ben Koon
Chairman

Hong Kong, 4 January 2010

As at the date of this announcement, the executive directors of Prosperity International Holdings (H.K.) Limited are Mr. Wong Ben Koon (Chairman), Mr. Sun Yong Sen (Deputy Chairman) and Mr. Kong Siu Keung. The independent non-executive directors are Mr. Mo Kwok Choi, Mr. Yuen Kim Hung, Michael and Mr. Yung Ho.

** for identification purpose only*

4 January 2010

**Prosperity Minerals Holdings Limited
("Prosperity") or ("the Company")**

**Further Announcement in Relation to Disposal of
Cement Business in the People's Republic of China**

Prosperity Minerals Holdings Limited (AIM: PMHL.L), which operates a cement manufacturing business in the People's Republic of China ("PRC") and an iron ore trading business serving the same market, today announces further information in relation to the possible disposal of its cement business.

On 21 December 2009, Prosperity announced that it had entered into a conditional sale and purchase agreement (the "Agreement") with regards to the sale of the entire issued share capital of Upper Value Investments Limited (the "Target Company"), and certain outstanding shareholder loans previously granted by Prosperity to the Target Company, its subsidiaries and associates (the "Shareholder Loan")(together the "Disposal").

The Target Company is a wholly owned subsidiary of Pro-Rise Business Limited ("Pro-Rise") which, in turn, is wholly owned by Prosperity.

Prosperity's net proceeds following completion of the Disposal are expected to be approximately HK\$3,800 million (c. £300 million) less any expenses relating to the Disposal, which are expected to be immaterial in comparison. The proceeds from the Disposal are payable in cash.

Prosperity wishes to clarify that all debt relating to the cement business, including but not limited to the guaranteed senior secured notes ("Senior Notes") (which were issued by the Target Company to Morgan Stanley & Co. International plc and certain institutional investors as announced on 6 May 2008 and which currently have an outstanding principal amount of approximately US\$90 million), but excluding a term loan with an outstanding principal amount of US\$15 million relating to the acquisition of Anhui Chaodong Cement Company Limited ("Anhui Chaodong"), will be transferred to TCC upon completion of the Disposal. Prosperity's iron ore trading business, which will be retained by Prosperity following the Disposal, does not currently have any significant debt.

Under the Agreement, Pro-Rise has received HK\$800 million (c. £63 million) by way of a deposit (the "Deposit") of which HK\$100 million (c. £7.9 million) was received on 14 December 2009 and the balance on 21 December 2009. Prosperity can use the Deposit as it deems fit. Under the Agreement, should Prosperity choose to prepay the Senior Notes, TCC will reimburse Prosperity by an adjustment in the Shareholder Loan. In the event that the Disposal is not completed, Pro-Rise will refund the Deposit in full to TCC with interest calculated at 6% per annum within nine months following termination of the Agreement. The Deposit is included in the aggregate consideration of HK\$3,800 million.

Upon completion of the Disposal, Prosperity is expected to have the following major assets:

1. a substantial increase in its cash position arising from the Consideration of HK\$3,800 million (c. £300 million);
2. a 33.06 per cent interest in Anhui Chaodong, which is listed on the Shanghai Stock Exchange and which has a total market capitalisation of RMB1,970 million (c. £178 million) and a share value attributable to Prosperity of RMB651 million (c. £65 million) as on 31 December 2009; and

3. the iron ore trading business.

Unaudited financial information on the Target Company

The Company also wishes to release certain unaudited consolidated financial information on the Target Company and the companies under the Target Company that are excluded from the Disposal (the “Excluded Companies”), for the six months ended 30 September 2008 and 2009 respectively, based on management accounts. For the avoidance of doubt, neither the Target Company nor the Excluded Companies includes Prosperity’s iron ore trading business.

(i) Target Company (includes Excluded Companies’ results)

	Six months ended 30 September			
	2009		2008	
	(unaudited)		(unaudited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Revenue	94,092	733,918	87,614	683,389
Profit/(Loss) before finance cost and tax	12,626	98,483	9,841	76,760
Profit/(Loss) before tax	1,435	11,193	275	2,145
Income tax	3,091	24,110	963	7,511
Profit/(Loss) for the year	(1,656)	(12,917)	(688)	(5,366)

	As at 30 September			
	2009		2008	
	(unaudited)		(unaudited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Net asset (Note)	77,648	605,654	86,028	671,018

(ii) Excluded Companies

	Six months ended 30 September			
	2009		2008	
	(unaudited)		(unaudited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Revenue	-	-	-	-
Profit/(Loss) before finance cost and tax	(2,999)	(23,392)	(295)	(2,301)
Profit/(Loss) before tax	(3,197)	(24,937)	(701)	(5,468)
Income tax	-	-	-	-
Profit/(Loss) for the year	(3,197)	(24,937)	(701)	(5,468)

	As at 30 September			
	2009		2008	
	(unaudited)		(unaudited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Net asset (Note)	(4,912)	(38,314)	3,186	24,851

Note: excluding minority interests

For the purposes of this announcement, unless otherwise specified, conversions of US\$ into HK\$ are based on the approximate exchange rate of US\$1.00 to HK\$7.8 for the purposes of illustration only. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the above rate or at any other rates.

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Notes to Editors:

Prosperity (AIM: PMHL) operates a cement manufacturing business in the People's Republic of China ("PRC") and an iron ore trading business serving the same market.

Prosperity is focused on two key sectors serving the PRC: the manufacture and sale of cement; and the trading of iron ore. The Company's shares were admitted to trading on the AIM market of the London Stock Exchange in May 2006. It reports in US dollars.

The Company owns 100% of Yingde Dragon Mountain Cement Co. Limited ("YDM"), has a 25% interest in Prosperity Conch Cement Company Limited ("PCC"), and a 33.06% interest in Anhui Chaodong Cement Company Limited ("ACC"). YDM and PCC cement plants, where construction was completed in 2006, employ modern suspension pre-heater dry processing and are located on adjacent sites in Guangdong Province in the south east of the country. ACC is located in Anhui Province in the eastern PRC. Anhui Conch Cement Company Limited, being the largest cement operator in China, also owns 75% of PCC and 16.28% of ACC respectively. Prosperity also holds a 40% interest in Guangzhou K. Wah Nanfang Cement Limited ("Guangzhou Nanfang") which has cement grinding facilities in Guangzhou City, Guangdong Province, a 30% interest in Yunnan Kungang & K. Wah Cement Construction Materials Co. Limited ("Anning") located in Yunnan Province, and a 30% interest in Baoshan Kungang & K. Wah Cement Construction Materials Co. Limited ("Baoshan"), also located in Yunnan Province.

The designed sellable output capacity of clinker** and cement at YDM is 5.9 million tonnes per year, PCC is 7.9 million tonnes per year, ACC is 3.4 million tonnes per year, Guangzhou Nanfang is 0.8 million tonnes per year, Anning is 2.7 million tonnes per year and Baoshan is 1.8 million tonnes per year.

Prosperity also has interests in four cement projects under development. The Company holds a 75% interest in a new cement factory in Liaoning Province, 100% interest in a new cement factory in Chongqing Direct Municipal City; a 100% interest in a new cement factory in Guizhou Province and a 100% interest in a new cement factory in Guangan City, Sichuan Province.

The iron ore trading business has been operating since 1992 and sources iron ore, for shipment and use in the PRC, from major international iron ore producers such as Kumba Iron Ore (South Africa), Vale (Brazil) and Rio Tinto (Australia), as well as from South East Asia, Thailand and Malaysia in particular. The majority of the Company's iron ore is sold to the large steel manufacturers in the PRC and, in the fiscal year ended 31 March 2009, Prosperity shipped 4.4 million tonnes of iron ore. This volume increased to 5.2 million tonnes in the six months ended 30 September 2009.

The PRC is the world's third largest economy (behind the US and Japan) and the largest producer and consumer of cement and the biggest buyer of iron ore.

***Clinker is a complex calcium alumino-silicate material produced by the calcinations of limestone and clays. It is then ground and mixed with gypsum to form cement or, more correctly, Portland Cement.*