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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)**

**FURTHER ANNOUNCEMENT  
IN RELATION TO  
DISPOSAL OF CEMENT BUSINESS  
IN THE PEOPLE'S REPUBLIC OF CHINA**

This announcement is issued pursuant to Rule 13.09(1) of the HK Listing Rules.

Further to the VSD Announcement, on 4 January 2010, PMHL issued a further announcement on AIM clarifying certain information and disclosing further information in relation to the Disposal. The Company would like to update the Shareholders and the potential investors of the Company with such information.

Reference is made to the announcement of the Company dated 22 December 2009 (the “**VSD Announcement**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meaning as those defined in the VSD Announcement.

On 4 January 2010, PMHL issued a further announcement on AIM clarifying certain information and disclosing further information in relation to the Disposal.

The net proceeds to be received by PMHL following completion of the Disposal are expected approximately HK\$3,800 million payable less any expenses relating to the Disposal, which are expected to be immaterial in comparison. The proceeds from the Disposal are payable in cash.

All debt relating to the cement business, including but not limited to the Senior Notes (which were issued by the Target Company to Morgan Stanley & Co. International plc and certain institutional investors and which currently have an outstanding principal amount of approximately US\$90 million (approximately HK\$702 million)), but excluding a term loan with an outstanding principal amount of US\$15 million

(approximately HK\$117 million) relating to the acquisition of Anhui Chaodong, will be transferred to the Purchaser upon completion of the Disposal. The iron ore trading business of PMHL, which will be retained by PMHL following the Disposal, does not currently have any significant debt.

Under the Agreement, Pro-Rise has received HK\$800 million as the Deposit of which HK\$100 million was received on 14 December 2009 and the balance on 21 December 2009. PMHL can use the Deposit as it deems fit. Under the Agreement, should PMHL choose to prepay the Senior Notes, the Purchaser will reimburse PMHL 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 the Purchaser with interest calculated at 6% per annum within nine months following termination of the Agreement. The Deposit is included in the Consideration of HK\$3,800 million.

Upon Completion, PMHL is expected to have the following major assets:

- (a) a substantial increase in its cash position arising from the Consideration of HK\$3,800 million;
- (b) a 33.06% interest in Anhui Chaodong, which is listed on the Shanghai Stock Exchange and which has a total market capitalisation of RMB1,970 million (approximately HK\$2,246 million) and a share value attributable to PMHL of RMB651 million (approximately HK\$742 million) as on 31 December 2009; and
- (c) the iron ore trading business.

### **Unaudited financial information on the Target Company**

As advised by the PMHL Board, PMHL also wishes to release certain unaudited consolidated financial information on the Target Company and the Excluded Companies for the six months ended 30 September 2008 and 2009 respectively, based on the Management Accounts. For the avoidance of doubt, neither the Target Company nor the Excluded Companies includes the iron ore trading business of PMHL.

(i) Target Company (includes the results of the Excluded Companies)

	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 before finance cost and tax	12,626	98,483	9,841	76,760
Profit before tax	1,435	11,193	275	2,145
Income tax	3,091	24,110	963	7,511
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 assets (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	—	—	—	—
Loss before finance cost and tax	(2,999)	(23,392)	(295)	(2,301)
Loss before tax	(3,197)	(24,937)	(701)	(5,468)
Income tax	—	—	—	—
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 (liabilities)/assets (Note)	(4,912)	(38,314)	3,186	24,851

Note: excluding minority interests

As set out in the VSD Announcement, a circular containing, among other information, details of the Disposal and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable in accordance with the HK Listing Rules.

**Warning: Shareholders and potential investors should note that the Disposal is subject to the fulfillment of a number of conditions, and accordingly, the transactions under the Agreement may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares.**

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

Hong Kong, 4 January 2010

*\* For identification purpose only*

*As at the date of this announcement, the executive Directors are Mr. Wong Ben Koon (Chairman), Mr. Sun Yong Sen (Deputy Chairman) and Mr. Kong Siu Keung, and the independent non-executive Directors are Mr. Mo Kwok Choi, Mr. Yuen Kim Hung, Michael and Mr. Yung Ho.*

*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, RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.14, for the purposes of illustration only. No representation is made that any amount in HK\$ or US\$ or RMB could have been or could be converted at the above rate or at any other rates.*

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no facts, the omission of which would make any statement in this announcement misleading.