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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 February 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), Mr. Mao Shuzhong (Chief Executive Officer) 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 February 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
Circular to Shareholders and Notice of Extraordinary General Meeting**

Further to the announcements of 21 December 2009, 4 January 2010 and 1 February 2010, Prosperity confirms that a circular has been sent today to its shareholders seeking their approval for the proposed disposal of Prosperity's cement business (the "Disposal").

An Extraordinary General Meeting ("EGM") of Prosperity will be held at Alameda Dr. Carlos D'Assumpcao, Nos. 181-187 Centro Comercial Do Grupo Brilhantismo, 11 Andar "T", Macau on Monday 1 March 2010 at 5.00 p.m. (Macao time) (9.00 a.m. London time) (the "EGM"). A copy of the circular and the notice convening the EGM are available on Prosperity's website www.pmhl.co.uk.

Share Buyback Authority

At the EGM, the Board is also seeking shareholders' approval to increase the general authority so that the Company can repurchase up to 40,345,549 of its own 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 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 (the "Share Buyback Authority"). Prosperity currently has a general authority from its shareholders to repurchase up to 6,627,717 ordinary shares (approximately 5% of the Company's issued share capital), such authority to expire fifteen months from 21 August 2009 or, if earlier, at the conclusion of the next annual general meeting of the Company.

The Share Buyback Authority, if granted, will expire fifteen months from the date of passing of the share buyback resolution or, if earlier, at the conclusion of the next annual general meeting of the Company.

In order to maintain some flexibility for Prosperity on the use of the repurchased shares, the Board is also seeking approval from shareholders for the Company to hold in treasury any shares repurchased pursuant to the Share Buyback Authority, provided that the aggregate number of shares held in treasury does not exceed 10% of the total number of the shares in issue at that time.

In view of the proposed Disposal, the Board is of the view that there could be near-term volatility in the Company's share price. There could be shareholders who no longer wish to hold their shares in the Company after the Disposal. In view of the recent thin trading volumes of the shares, shareholders who wish to exit the Company by selling their shares on the market may create undue downward pressure on the Company's share price and may possibly distort the orderly trading of the shares on the AIM market of the London Stock Exchange plc.

Therefore, the Board believes that it would be in the best interests of Prosperity and its shareholders if the Board is given this further authority to repurchase shares in the market as this will provide the Company with another option to maintain an orderly market of the shares.

In seeking this Share Buyback Authority, it is important to emphasise that the making and timing of any repurchase of the Company's shares will always be at the absolute discretion of the Board, taking into consideration, amongst other things, the future funding needs of the Company.

The share buyback resolution and the resolution to make the Disposal are separate resolutions. Accordingly, if the Disposal resolution is passed, the Disposal will proceed regardless of whether or not the share buyback resolution is also passed. However, if the share buyback resolution is passed but the resolution to make the Disposal is not, the Board does not anticipate that the Company will be in a position to implement a large share buyback program in the immediate future as the Company will not have sufficient unallocated cash flow to finance any repurchase of shares under the Share Buyback Authority.

Board appointment

The Board is pleased to announce the appointment of Mr. Even Sheng as an independent non-executive director, effective 5 February 2010.

Mr. Sheng, aged 67, graduated from East China Normal University in 1965 and has over 35 years experience in real estate and other industries in the PRC. Mr. Sheng is currently a Managing Director at Globe River Limited in Hong Kong where he has worked since 1987. In addition to Globe River Limited, in the last five years, he also acted in the capacity of a director at Kingfisher Investment Limited.

There is no other information that is required to be disclosed pursuant to Schedule 2 paragraph (g) of the AIM Rules.

Further enquiries:

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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 in South Africa, Brazil and 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.*