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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: 8139)

ANNOUNCEMENT PURSUANT TO RULE 17.15 OF THE LISTING RULES

The board of directors of Prosperity International Holdings (H.K.) Limited announces the details of the relevant advances to two entities by the Company each exceeded 8% of the total market capitalization of the Company as at the sales invoice date.

This announcement is made pursuant to rule 17.15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), whereby a disclosure obligation arises when the relevant advances to an entity from Prosperity International Holdings (H.K.) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) exceeds 8% of any of the percentage ratios under the GEM Listing Rules. The trade receivables due from each of Cementval S.L. (“Cementval”) and Holcim Trading S.A. (“Holcim”) as shown in the latest management accounts of the Group as at 31 August 2006 both exceeded 8% of the total market capitalization of the Company as at the respective sales invoice date (the “Market Capitalization”).

TRADE RECEIVABLES DUE FROM TWO CUSTOMERS

The details of the trade receivables due from Cementval and Holcim to the Group as at 31 August 2006 are as follows:

Name	Invoice Date	HK\$	Settlement Date	Payment Term
Cementval	19 August 2006	16,900,178	13 September 2006	Irrevocable documentary credit# issued at sight for 100% of invoice value
	22 August 2006	8,111,994	13 September 2006	Irrevocable documentary credit# issued at sight for 100% of invoice value

* *for identification only*

Name	Invoice Date	HK\$	Settlement Date	Payment Term
Holcim	20 August 2006	6,432,432	7 September 2006	Irrevocable documentary credit# issued at sight for 100% of invoice value
	23 August 2006	7,371,102	8 September 2006	Payment within 15 days after bill of lading date

A credit instrument issued by a bank undertaking payment to the beneficiary (the Group) upon the presentation of relevant documents as required by the issuing bank.

The trade receivables referred to in the table above has been settled on the respective settlement dates as shown.

As at 19 August 2006, there are 139,017,106 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.72 per share as stated in the Stock Exchange's daily quotation sheets for the trading days from 14 August 2006 to 18 August 2006 (both days inclusive), being the five business days immediately preceding 19 August 2006, the Market Capitalization is HK\$100,092,316 as at 18 August 2006. According to the latest management accounts of the Group as at 31 August 2006, trade receivable of HK\$16,900,178 due from Cementval relating to an invoice dated 19 August 2006 represents approximately 16.9% of the Market Capitalization as at 18 August 2006.

As at 22 August 2006, there are 139,017,106 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.74 per share as stated in the Stock Exchange's daily quotation sheets for the trading days from 15 August 2006 to 21 August 2006 (both days inclusive), being the five business days immediately preceding 22 August 2006, the Market Capitalization is HK\$102,872,658 as at 21 August 2006. According to the latest management accounts of the Group as at 31 August 2006, accumulated trade receivable of HK\$25,012,172 due from Cementval relating to invoices dated 19 August 2006 and 22 August 2006 represents approximately 24.3% of the Market Capitalization as at 21 August 2006.

As at 23 August 2006, there are 139,017,106 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.75 per share as stated in the Stock Exchange's daily quotation sheets for the trading days from 16 August 2006 to 22 August 2006 (both days inclusive), being the five business days immediately preceding 23 August 2006, the Market Capitalization is HK\$104,262,830 as at 22 August 2006. According to the latest management accounts of the Group as at 31 August 2006, accumulated trade receivable of HK\$13,803,534 due from Holcim relating to invoices dated 20 August 2006 and 23 August 2006 represents approximately 13.2% of the Market Capitalization as at 22 August 2006.

The above trade receivables resulted from sales of cement clinker to Cementval and Holcim by the Group in its ordinary course of trading business and on normal commercial terms. Cementval and Holcim are not connected with any of the directors, chief executives or substantial shareholders of the Company and its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules).

The trade receivables due from Cementval and part of receivables due from Holcim are secured by irrevocable documentary credit issued by reputable banks in Spain and Belgium. No other collateral is required to be made by Cementval and Holcim, and no interest is charged on such trade receivables.

GENERAL

Save as disclosed above, as at the date of this announcement, the board of directors of the Company confirmed there is no other situation for disclosure which is discloseable under general disclosure obligations pursuant to Rule 17.15 of the GEM Listing Rules.

The Company will comply with the relevant disclosure requirements according to Rules 17.16 and 17.17 of the GEM Listing Rules for so long as circumstances giving rise to such disclosure continue to exist.

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

Hong Kong, 18 September, 2006

The directors of the Company as at the date of this announcement are:

Executive Directors

Mr. Wong Ben Koon (*Chairman*)
Mdm. Hon Ching Fong
Mr. Kong Siu Keung

Independent Non-Executive Directors

Mr. Mo Kwok Choi
Mr. Yuen Kim Hung, Michael
Mr. Yung Ho

This announcement, for which the directors of the Prosperity International Holdings (H.K.) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.