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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)

COMPLETION OF THE PLACING

The Board hereby announces that completion of the Placing took place on 26 October 2007.

Reference is made to the announcement of Prosperity International Holdings (H.K.) Limited (the “**Company**”) dated 11 October 2007 in relation to the Placing (the “**Announcement**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that the Placing Agent has successfully placed a total of 33,300,000 Placing Shares at a placing price of HK\$0.90 per Placing Share. One of the placees, Mr. Li Yiu Keung who has no interest in the Company before the Placing was subscribed and allotted 28,860,000 Placing Shares, which represents approximately 14.42% of the enlarged issued share capital of the Company and becomes one of the substantial shareholders of the Company. The remaining 4,440,000 were placed to no less than six individuals or institutional investors. Each of the placees together with its concert parties will not hold 30% or more of the equity interests of the Company.

To the best knowledge of the Directors, the placees (including Mr. Li Yiu Keung) and their respective beneficial owners are independent of, not acting in concert and not connected with the Company and its subsidiaries nor with its concert parties, the directors, chief executive, substantial shareholders and management shareholders of the Company or its subsidiaries or any of their respective associates.

Completion of the Placing took place on 26 October 2007. The Placing Shares represent (i) 20.00% of the issued share capital of the Company immediately before the completion of the Placing; and (ii) approximately 16.64% of the issued share capital of the Company as enlarged by the completion of the Placing.

Saved as above and to the best of the Directors’ and the Placing Agent’s knowledge, information and belief, having made all reasonable enquiries, the placees and their ultimate beneficial owners are Independent Third Parties.

Shareholding Structure

The changes of the shareholding of the Company as a result of the Placing, are as follows:

Shareholders	Prior to the Placing		Immediately after the completion of the Placing	
	No. of Shares	%	No. of Shares	%
Well Success Group Limited (<i>notes 1 & 2</i>)	31,917,600	19.13	31,917,600	15.95
Mr. Wong Ben Koon	53,385,106	32.00	53,385,106	26.68
Harmony Asset Limited	23,300,000	13.97	23,300,000	11.64
Mr. Li Yiu Keung	–	–	28,860,000	14.42
Public shareholders				
– the placees (<i>other than Mr. Li Yiu Keung</i>)	–	–	4,440,000	2.22
– other public shareholders	58,214,400	34.90	58,214,400	29.09
Total	<u>166,817,106</u>	<u>100.00</u>	<u>200,117,106</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Well Success Group Limited is beneficially owned as to 25.2% by Mr. Wong Ben Koon, an executive Director, as to 16.4% by Mr. Ng Hon Fai, and as to 58.4% by Advance Success Limited.
2. The entire issued share capital of Advance Success Limited is equally and beneficially owned by Mr. Wong Ben Koon and Madam Hon Ching Fong, both are executive Director. Mr. Wong Ben Koon is the sole director of Advance Success Limited.

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

Hong Kong, 26 October 2007

As at the date of this announcement, the Board comprises Mr. Wong Ben Koon, Madam Hon Ching Fong and Mr. Kong Siu Keung as executive Directors, and Mr. Mo Kwok Choi, Mr. Yuen Kim Hung, Michael and Mr. Yung Ho as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 Company's website at <http://www.equitynet.com.hk/8139> and on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for seven days from the day of its posting.

** for identification purpose only*