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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)

DISCLOSEABLE TRANSACTION INVOLVING ISSUE OF NEW SHARES AND SHARE SUBDIVISION AND CHANGE OF BOARD LOT SIZE

Financial adviser to Prosperity International Holdings (H.K.) Limited



SOMERLEY LIMITED

This announcement is made further to the Company's announcement dated 23 November 2007 in relation to the proposed discloseable transaction involving issue of new Shares, Share Subdivision and change of board lot size.

The Company wishes to announce the expected timetable in relation to the issue of new Shares, Share Subdivision and change of board lot size, which is set out in the circular of the Company dated 14 December 2007.

INTRODUCTION

Reference is made to the announcement of the Company dated 23 November 2007 (the "Announcement"). Terms defined in the Announcement shall have the same meaning when used in this announcement unless otherwise defined herein.

DISPATCH OF THE CIRCULAR

The circular of the Company in respect of the proposed discloseable transaction involving issue of new Shares, Share Subdivision and change of board lot size will be dispatched to the Shareholders on 14 December 2007.

SGM

The SGM will be held at 10:30 a.m. on 4 January 2008 at Suites 1801-6, 18th Floor, Tower 2, The Gateway, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. A further announcement will be made by the Company in relation to the results of the SGM.

Expected Timetable

The expected timetable for implementation of the Share Subdivision and the associated trading arrangements are set out below:

Date of despatch of the circular relating to, among other things, the Share Subdivision	Friday, 14 December 2007
Latest time for the lodging of form of proxy for the SGM	10:30 a.m. on Wednesday, 2 January 2008
Expected date of the SGM	10:30 a.m. on Friday, 4 January 2008
The effective date for the Share Subdivision	Monday, 7 January 2008
Existing counter for trading in board lots of 8,000 Shares of HK\$0.10 each temporarily closes	9:30 a.m. on Monday, 7 January 2008
Temporary counter for trading in board lots of 80,000 Subdivided Shares of HK\$0.01 each (in form of existing blue share certificates) opens	9:30 a.m. on Monday, 7 January 2008
First day of free exchange of existing blue share certificates for Shares of new orange share certificates for the Subdivided Shares commences	9:30 a.m. on Monday, 7 January 2008
Existing counter for trading in board lots of 20,000 Subdivided Shares of HK\$0.01 each (in the form of new orange share certificates for Subdivided Shares) re-opens	9:30 a.m. on Monday, 21 January 2008

Parallel trading in Subdivided Shares of HK\$0.01 each
(in the form of new orange share certificates for
Subdivided Shares and existing blue share certificates for
Shares) commences 9:30 a.m. on Monday, 21 January 2008

Temporary counter for trading of Subdivided Shares in board
lots of 80,000 Subdivided Shares (in the form of existing blue share
certificates for Shares) closes 4:00 p.m. on Wednesday, 13 February 2008

Parallel trading in Subdivided Shares
(in the form of new orange share certificates
for Subdivided Shares and Shares in form of
existing blue share certificates) ends 4:00 p.m. on Wednesday, 13 February 2008

Free exchange of existing blue share
certificates for new orange share certificates ends 4:30 p.m. on Tuesday, 19 February 2008

If the Share Subdivision becomes effective, the existing blue share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 13 February 2008 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing blue share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for 10 Subdivided Shares and may be exchanged free of charge for the new orange share certificates for Subdivided Shares at any time between 9:00 a.m. to 4:30 p.m. from 7 January 2008 to 19 February 2008 (both days inclusive); or on payment at a fee of HK\$2.50 per existing blue share certificate cancelled or new orange share certificate issued (whichever is the higher) at any time after 4:30 p.m. on 19 February 2008. Shareholders are requested to submit their existing blue share certificates to the Company's branch share registrar, Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. It is expected that the new orange share certificates will be available for collection within a period of 10 business days after the submission of the existing blue share certificates.

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

Hong Kong, 13 December 2007

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 Company 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 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 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 at least 7 days from the date of its posting.

* For identification purpose only