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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 COMPLETION OF THE ACQUISITION OF SALE SHARES

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



SOMERLEY LIMITED

Reference is made to the announcements of the Company dated 23 November 2007, 13 December 2007 and 4 January 2008 and the Circular relating to the acquisition of the Sale Shares by the Purchaser from the Vendor.

All conditions precedent in relation to the Acquisition had been fulfilled on 31 March 2008. The Acquisition was completed on 31 March 2008.

Reference is made to the announcements of the Company dated 23 November 2007, 13 December 2007 and 4 January 2008 and the circular dated 14 December 2007 (the “Circular”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

All conditions precedent in relation to the Agreement had been fulfilled on 31 March 2008. The Board is pleased to announce that completion of the Acquisition took place on 31 March 2008 and accordingly the Purchaser has acquired the Sale Shares from the Vendor.

The total consideration for the Sale Shares is RMB62.0 million (equivalent to approximately HK\$65.1 million), which shall be satisfied as to RMB44.5 million (equivalent to approximately HK\$46.7 million) in cash and as to RMB17.5 million (equivalent to approximately HK\$18.4 million) by the issue of the Consideration Shares.

The Consideration Shares, when issued, shall rank pari passu in all respects with all the existing Shares in issue including the right to any dividends or distributions. Approval for the listing of, and permission to deal in, the Consideration Shares was granted by the Stock Exchange on 4 January 2008. The Consideration Shares shall be allotted and issued to the Vendor within 14 Business Days from the date of the Purchaser's acknowledgement receipt of the renewed mining permit of the Xiang Lu Shan Granite Mining Site.

Each of the Vendor and the Vendor Guarantor has undertaken to the Purchaser and the Company that the Vendor will not in the period commencing on the date of issue of the Consideration Shares and ending on the date which is six months from the issue date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Consideration Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately after the issue of the Consideration Shares:

	As at the date of this announcement		Immediately after the issue of the Consideration Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Shareholders				
Well Success Group Limited (<i>notes 1 & 2</i>)	319,176,000	15.95	319,176,000	14.61
Mr. Wong Ben Koon	533,851,060	26.68	533,851,060	24.43
Harmony Asset Limited	233,000,000	11.64	233,000,000	10.66
Mr. Li Yiu Keung	288,600,000	14.42	288,600,000	13.21
The Vendor	—	—	183,750,000	8.41
Other public shareholders	626,544,000	31.31	626,544,000	28.68
Total	2,001,171,060	100.00	2,184,921,060	100.00

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.

For the purpose of this announcement, unless otherwise specified, conversion of RMB into Hong Kong dollars is based on the approximate exchange rate of RMB1.00 to HK\$1.05, for the purposes of illustration only. No representation is made that any amount in Hong Kong dollars or RMB could have been or could be converted at the above rate or at any other rates.

The English translation of Chinese names is included for information purpose only and should not be regarded as their official English translation.

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

Hong Kong, 2 April 2008

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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at <http://www.equitynet.com.hk/8139>.

** For identification purpose only*