



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)

DISCLOSURE UNDER RULE 17.20 OF THE GEM LISTING RULES

This announcement is made in compliance with Rule 17.20 of the GEM Listing Rules.

On 1 August 2008, the Borrower entered into the Loan Agreement whereby subject to the terms of the Loan Agreement, the Bank has agreed to make available to the Borrower the Loan for a term of 3 years commencing from the First Drawdown Date. As a condition precedent to the Bank making the Loan available to the Borrower, Mr. Wong is required to provide a Guarantee in favour of the Bank. Pursuant to the Guarantee, specific performance obligations are imposed on Mr. Wong during the term of the Loan, among other things, (i) to remain as a director and controlling shareholder of the Company; and (ii) to procure that the Company will continue to directly or indirectly hold the entire issued share capital of the Borrower and Prosperity Cement (Asia) Limited.

The board of directors (the “**Board**”) of Prosperity International Holdings (H.K.) Limited (the “**Company**”) makes the following disclosures in compliance with Rule 17.20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

On 1 August 2008, Sharp Advance International Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, entered into a loan facility agreement (the “**Loan Agreement**”) with Fubon Bank (Hong Kong) Limited (the “**Bank**”), whereby subject to the terms of the Loan Agreement, the Bank has agreed to make available to the Borrower a term loan facility (the “**Loan**”) in the aggregate amount of HK\$30,000,000 for a term of 3 years commencing from the date of first drawdown of the Loan (“**First Drawdown Date**”), repayable by nine quarterly instalments with the first repayment instalment due on the date falling 12 months after the First Drawdown Date.

As a condition precedent to the Bank making the Loan available to the Borrower, Mr. Wong Ben Koon (“**Mr. Wong**”), a director and the controlling shareholder of the Company, is required to provide a guarantee and indemnity in favour of the Bank (the “**Guarantee**”). Pursuant to the terms of the Guarantee, specific performance obligations are imposed on Mr. Wong during the term of the Loan, among other things, to:

1. continue to act as a director and controlling shareholder of the Company; and
2. procure that the Company will continue to directly or indirectly hold the entire issued share capital of the Borrower and Prosperity Cement (Asia) Limited, both indirect wholly owned subsidiaries of the Company.

Non-compliance with the aforesaid obligations by Mr. Wong will constitute an event of default under the Loan Agreement; upon the occurrence of which the Bank shall have the right to declare the Loan terminated whereupon the obligations of the Bank to make further advances shall immediately cease and to declare the loan, accrued interest and all other sums owing under the Loan Agreement to be immediately due and payable or the Bank may take any action, exercise any right or pursue other remedies conferred on the Bank or by any applicable law or regulation or otherwise as a consequence of such event of default.

As the date of this announcement, Mr. Wong, whether directly or indirectly, holds approximately 41.63% of the entire issued share capital of the Company. Mr. Wong is also deemed to be interested in 0.85% of the entire issued share capital of the Company beneficially held by his wife Ms. Shing Shing Wai.

The Company will continue to comply with the disclosure requirements under the GEM Listing Rules for so long as circumstances giving rise to the obligation continue to exist.

This announcement is made in compliance with Rule 17.20 of the GEM Listing Rules.

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

Hong Kong, 1 August 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.