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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**

Reference is made to the announcements of the Company dated 23 November 2007, 13 December 2007, 4 January 2008 and 2 April 2008 and the Circular.

The Company wishes to announce that the mining permit of the Xiang Lu Shan Granite Mining Site, which expired in September 2008, was renewed by Guilin Star Brite on 8 October 2008, receipt of which was acknowledged by the Company on 17 October 2008. In accordance with the terms and condition of the Agreement, the Company allotted 183,750,000 Subdivided Shares (which are derived from 18,375,000 Consideration Shares following the Share Subdivision) to the Vendor on 20 October 2008 and will settle the cash portion of the remaining balance of the Consideration by the payment of RMB29.5 million or its HK\$ equivalent (equivalent to approximately HK\$33.62 million as at the date of this announcement) on or before 6 November 2008 (i.e., within fourteen (14) Business Days from the date of acknowledgement receipt of the renewed mining permit).

Reference is made to the announcements of the Company dated 23 November 2007, 13 December 2007, 4 January 2008 and 2 April 2008 and the circular dated 14 December 2007 issued by the Company (the “Circular”) relating to the acquisition of the Sale Shares. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

THE MINING PERMIT OF THE XIANG LU SHAN GRANITE MINING SITE

The Company wishes to announce that the mining permit of the Xiang Lu Shan Granite Mining Site, which expired in September 2008, was renewed by Guilin Star Brite on 8 October 2008, receipt of which was acknowledged by the Company on 17 October 2008.

The renewed mining permit, issued by the Ministry of Land and Resources, PRC to Guilin Star Brite, allows Guilin Star Brite to mine up to 40,000 cubic metres of granite per year for a period of ten (10) years. The mining permit is effective as of 18 September 2008 and will expire on 18 September 2018.

SETTLEMENT OF THE BALANCE OF CONSIDERATION

In accordance with the terms and conditions of the Agreement (details of which have been set out in the Circular), the Company allotted 183,750,000 Subdivided Shares (which are derived from 18,375,000 Consideration Shares following the Share Subdivision) to the Vendor on 20 October 2008 and will settle the cash portion of the remaining balance of the Consideration by the payment of RMB29.5 million or its HK\$ equivalent (equivalent to approximately HK\$33.62 million as at the date of this announcement) on or before 6 November 2008 (i.e., within fourteen (14) Business Days from the date of acknowledgement receipt of the renewed mining permit).

The 183,750,000 Subdivided Shares issued ranked pari passu in all respects with the existing shares of HK\$0.01 each in the share capital of the Company in issue including the right to any dividends or distributions and represent approximately 8.41% of the enlarged issued share capital of the Company following such allotment. Approval for the listing of, and permission to deal in, the 183,750,000 Subdivided Shares was granted by the Stock Exchange on 4 January 2008.

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

Hong Kong, 24 October 2008

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

Executive Directors

Mr. Wong Ben Koon (*Chairman*)

Mr. Sun Yong Sen

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*