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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 on GEM: 8139)

(Stock code on Main Board: 803)

TRANSFER OF LISTING FROM GEM TO MAIN BOARD

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



Oriental Patron Asia Limited

On 15 August 2008, an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and the Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Scheme on the Main Board by way of transfer of the listing from GEM to the Main Board. As at the date hereof, there are 2,166,481,060 Shares in issue and 168,000,000 outstanding options which were granted under the GEM Share Option Scheme. Upon exercise in full of the outstanding options, a total of 168,000,000 Shares may fall to be issued.

The Board is pleased to announce that the approval in principle for the listing of the Shares on the Main Board and the approval for the de-listing of the Shares on the GEM have been granted on 9 December 2008. The last day of dealings in the Shares on GEM will be Wednesday, 17 December 2008 and the listing of the Shares on GEM (stock code: 8139) will be withdrawn with effect from 9:30 a.m. on Thursday, 18 December 2008. It is expected that dealings in the Shares on the Main Board of the Stock Exchange (stock code: 803) will commence at 9:30 a.m. on Thursday, 18 December 2008.

The Board confirms pursuant to Rule 9A.09(3) of the Main Board Listing Rules that as at the date of this announcement, all the pre-conditions for the Transfer of Listing from GEM to Main Board have, insofar as applicable, been fulfilled in relation to the Company and the securities of the Company.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 20,000 Shares each, the trading currency of the Shares which is Hong Kong dollars, and the Share registrar of the Company which is Tricor Tengis Limited.

Reference is made to the announcement issued by the Company dated 15 August 2008 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to the new streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules, which has come into effect on 1 July 2008.

TRANSFER OF LISTING

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The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 2 August 2001, the date on which the Shares were first listed on GEM. Subject to continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change is proposed to be made to the share certificate, the board lot size which is 20,000 Shares each, the trading currency of the Shares which is Hong Kong dollars, and the Share registrar of the Company which is Tricor Tengis Limited.

REASON FOR THE TRANSFER OF LISTING

The Board believes that the Transfer of Listing will enhance the profile of the Company and increase the trading liquidity of the Shares. The Board considers that the Transfer of Listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility. There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new Shares by the Company.

GEM SHARE OPTION SCHEME

Pursuant to the terms of the GEM Share Option Scheme, the operation of the GEM Share Option Scheme was conditionally terminated by the Board on 9 December 2008. Upon the listing of the Shares being transferred from GEM to the Main Board, the termination of the GEM Share Option Scheme will become effective and no further options may be offered or granted under the GEM Share Option Scheme. Pursuant to the GEM Share Option Scheme, the outstanding 168,000,000 options previously granted but unexercised under the GEM Share Option Scheme will remain valid and exercisable in accordance with their terms of issue.

The Company may consider adopting a new share option scheme which will be in compliance with the Main Board Listing Rules in future and will then make further announcement when appropriate and obtain the approval of the Shareholders in accordance with the Main Board Listing Rules.

Save for the 168,000,000 outstanding options previously granted but unexercised under the GEM Share Option Scheme, the Company does not have any other options, warrants or similar rights or convertible equity securities in issue which will be transferred to the Main Board.

DOCUMENTS AVAILABLE FOR VIEWING

Copies of the following documents will be made available for viewing on the Company's website at <http://www.equitynet.com.hk/8139> and on the websites of the Stock Exchange at www.hkgem.com and www.hkex.com.hk:

- (i) the memorandum and the bye-laws of the Company;
- (ii) the annual report of the Company for the year ended 31 March 2008;
- (iii) the first quarterly report of the Company dated 13 August 2008 for the three months ended 30 June 2008;
- (iv) the interim report of the Company published on 12 November 2008 for the six months ended 30 September 2008;
- (v) the circular of the Company dated 21 July 2007 in relation to the general mandate to issue and to repurchase shares, refreshment of the GEM Share Option Scheme limit, granting of options and re-election of Directors;
- (vi) the circular of the Company dated 14 December 2007 in relation to a discloseable transaction involving the acquisition of a 60% interest in WM Aalbrightt Investment Holdings (Hong Kong) Limited and the issue of new shares, share subdivision, change of board lot size and refreshment of the general mandate and the repurchase mandate;
- (vii) the circular of the Company dated 25 July 2008 in relation to the general mandate to issue and to repurchase Shares and re-election of Directors; and
- (viii) the announcements and other corporate communications before the date of this announcement as required under the GEM Listing Rules or the Main Board Listing Rules.

GENERAL

The Group is principally engaged in the trading of clinker and cement and other building materials with focus in the markets of Africa, Europe, Asia and Oceania. The Group also holds a 60% interest in WM Aalbrightt Investment Holdings (Hong Kong) Limited which indirectly holds a mining permit in a granite quarry in Guangxi Province, the PRC (the “Granite Quarry”). The Company has obtained a waiver from the Stock Exchange from the requirement to issue a circular in connection with the Transfer of Listing pursuant to Rule 9A.04 of the Main Board Listing Rules, on the basis that all the relevant information of the Granite Quarry have been disclosed in a circular dated 14 December 2007 issued by the Company (which included a report issued by a technical adviser in compliance with Chapter 18 of the Main Board Listing Rules) and the interim report of the Company published on 12 November 2008 for the six months ended 30 September 2008, and it would therefore not be cost efficient and in the interests of the Company and the Shareholders to issue a separate circular for the purpose of the Transfer of Listing which would contain information regarding the Granite Quarry that have already been disclosed by the Company in the public domain.

Investors are advised to refer to the circular of the Company dated 14 December 2007 and interim report of the Company published on 12 November 2008 for details of the Granite Quarry. The respective hyperlinks of the relevant circular and interim report are as follow:

Circular of the Company dated 14 December 2007:

<http://www.hkexnews.hk/listedco/listconews/gem/20071214/GLN20071214018.pdf>

2008 interim report of the Company:

<http://www.hkexnews.hk/listedco/listconews/gem/20081113/GLN20081113000.pdf>

As at the date of this announcement, Mr. Wong has beneficial interests in Prosperity Minerals Group Limited, Max Start Holdings Limited and Max Will Profits Limited (collectively, the “Relevant Companies”). Mr. Wong is a director of the Relevant Companies. As at the date hereof, the Relevant Companies indirectly hold interest in the following companies:

Yingde Dragon Mountain Cement Company Limited

Prosperity Conch Cement Company Limited

Anhui Chaodong Cement Company Limited

Guangzhou K. Wah Nanfang Cement Limited

Liaoning Prosperity Cement Company Limited

Chongqing Prosperity Cement Company Limited
Yunan Kungang & K. Wah Cement Construction Material Company Limited
Baoshan Kungang & K. Wah Cement Construction Material Company Limited
Guizhou Anshun Changxing Cement Company Limited

The above companies (the “Cement Companies”) are engaged in the manufacture, warehousing and sale of clinker and cement in the PRC. Mr. Wong is a director of Yingde Dragon Mountain Cement Company Limited, Prosperity Conch Cement Company Limited, Anhui Chaodong Cement Company Limited and Chongqing Prosperity Cement Company Limited. Mr. Wong confirmed that all the products of the Cement Companies were sold in the domestic market in the PRC without any export to overseas countries.

In view of the completely different target markets between the Group and the Cement Companies, the Board considers that there is no direct or indirect competition between the Group and the Cement Companies. Save as disclosed above, as at the date hereof, there is no other competing or potentially competing business of the controlling Shareholder or a Director according to Rule 9A.09(10) of the Main Board Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Prosperity International Holdings (H.K.) Limited, a company continued in Bermuda with limited liability, the Shares of which are currently listed on the GEM of the Stock Exchange
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Director(s)”	the director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM Share Option Scheme”	the share option scheme adopted by the Company on 25 August 2003
“Group”	the Company and its subsidiaries

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Ben Koon, an executive Director and Chairman of the Company
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the proposed transfer of the listing of the Shares from GEM to Main Board
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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

Hong Kong, 9 December 2008

* *for identification purpose only*

The Directors 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 collectively and individually accept full responsibility, includes particulars given in compliance with the Main Board Listing Rules and 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 Stock Exchange websites at <http://www.hkgem.com> on the “Latest Company Announcements” page and at <http://www.hkex.com.hk> on the “Latest Listed Company Information” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.equitynet.com.hk/8139>.