PROSPEROUS INDUSTRIAL (HOLDINGS) LIMITED
其利工業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1731)

PROFIT WARNING

This announcement is made by Prosperous Industrial (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

The board (**"Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the information currently available to the Company and the Board's preliminary review of the unaudited consolidated management accounts of the Group, it is expected to record approximately 60% to 70% decrease in the profit attributable to Shareholders (the "**Profit Decrease**") for the year ended 31 December 2018 as compared to that for the year ended 31 December 2017.

The Profit Decrease was mainly attributable to (i) decrease in revenue due to the decrease in purchase orders from a number of major customers; (ii) the addition of operating costs in relation to the plant one of the Group's Cambodia Production Base which has been put into operation in February 2018; and (iii) non-recurring listing expenses incurred during the year.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2018, the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the Company's auditor or the audit committee of the Company. Further details of the Group's financial information for the year ended 31 December 2018 will be disclosed in the annual results announcement of the Company, which is expected to be published in late March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Prosperous Industrial (Holdings) Limited
Yeung Shu Kin
Chairman

Hong Kong, 22 February 2019

As at the date of this announcement, the Board of Directors comprises Mr. Yeung Shu Kin, Mr. Yeung Shu Kai and Mr. Duong Stephen Dien Sieu as executive Directors, Mr. Lu Chin-Chu and Mr. Tsai Nai-Yung as non-executive Directors and Mr. Chiu Che Chung Alan, Mr. Ko Siu Tak and Mr. Yip Kwok Cheung as independent non-executive Directors.