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 of the Laws of Hong Kong).

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 50% to 60% decrease in the profit attributable to Shareholders (the "**Profit Decrease**") for the six months ended 30 June 2019 as compared to the Group's adjusted profit attributable to Shareholders of approximately US$8.9 million (which excludes the listing expenses of approximately US$2.5 million) for the corresponding period in 2018.

The Profit Decrease was mainly attributable to (i) the one-off costs of approximately US$2.9 million in relation to the cease of operation of two production plants in Dongkeng, Dongguan and Xinfeng, Jiangxi of the People's Republic of China (the "**PRC**"), as a result of the Group's strategic move to relocate production capacity from the PRC to Vietnam and Cambodia; (ii) decrease in gross profit as a combined result of a slight decrease in revenue of approximately 3% and increase in overall labour cost.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2019, 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 six months ended 30 June 2019, 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 six months ended 30 June 2019 will be disclosed in the interim results announcement of the Company, which will be published on 23 August 2019.

Shareholders and potential investors of the Company 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, 15 August 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.