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PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00310)

VOLUNTARY ANNOUNCEMENT FULLY EXEMPT CONTINUING CONNECTED TRANSACTION INVOLVING AMENDMENT TO THE INVESTMENT MANAGEMENT AGREEMENT

This announcement is made by the Company on a voluntary basis.

Reference is made to the Company's announcement dated 26 January 2022 in relation to the entering into of the IM Agreement for the appointment of Opus Capital as the investment manager of the Company with effect from 1 January 2022 for a period of three (3) years at a fixed monthly management fee of HK\$80,000 and other material terms and conditions therein disclosed.

On 21 March 2023 (after trading hours), the Company entered into the Supplemental Agreement with Opus Capital to revise the monthly management fee payable by the Company under the IM Agreement for the Remaining Management Period, i.e. from 1 March 2023 to 31 December 2024, from HK\$80,000 per month (exclusive of disbursements) to HK\$40,000 per month (exclusive of disbursements).

Opus Capital is the investment manager of the Company and is therefore a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. As each of the applicable percentage ratios in respect of the highest of the Revised Annual Caps is less than 5% and the highest of the annual remuneration payable by the Company under the IM Agreement, as amended by the Supplemental Agreement, for each of the year ending 31 December 2023 and 31 December 2024 is less than HK\$3,000,000, the Supplemental Agreement is fully exempt from the reporting, announcement, annual review requirements, the circular (including independent financial advice), and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

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SUPPLEMENTAL AGREEMENT

On 21 March 2023 (after trading hours), the Company and Opus Capital entered into the Supplemental Agreement to revise the monthly management fee payable by the Company under the IM Agreement for the Remaining Management Period, i.e. from 1 March 2023 to 31 December 2024, from HK\$80,000 per month (exclusive of disbursements) to HK\$40,000 per month (exclusive of disbursements).

Save as aforesaid, all the other terms of the IM Agreement remain in full force and effect.

REVISED ANNUAL CAPS

In view of the reduction of the fixed monthly fee payable by the Group for the Remaining Management Period, the annual cap for each of the financial year ending 31 December 2023 and 31 December 2024 respectively will be reduced from HK\$1,160,000 to HK\$760,000 and HK\$680,000 respectively (the "Revised Annual Caps").

The following table sets forth the remuneration paid/payable to Opus Capital under the IM Agreement as amended by the Supplemental Agreement, the Original Annual Caps and Revised Annual Caps:

Period covered	Management fee	Discretionary bonus	Total remuneration paid/payable	Original Annual Caps	Revised Annual Caps
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
year ended 31 December 2022	960,000	—	960,000	1,160,000	N/A
year ending 31 December 2023	560,000	200,000	760,000	1,160,000	760,000
year ending 31 December 2024	480,000	200,000	680,000	1,160,000	680,000

Note:

The Revised Annual Caps for the years ending 31 December 2023 and 2024 were computed taking into account the fixed monthly fee and the maximum amount of annual discretionary bonus at HK\$200,000.

In the event that the aggregate remuneration payable by the Group under the IM Agreement, as amended by the Supplemental Agreement, for the years ending 31 December 2023 and 31 December 2024 exceed the respective Revised Annual Caps, the Company will comply with all the relevant requirements under Chapter 14A of the Listing Rules as and when appropriate.

INFORMATION ON OPUS CAPITAL

Opus Capital is principally engaged in the business of provision of investment management services covering traditional and alternative investments via various platforms. It currently has three Responsible Officers and six Licensed Representatives, and is managing several other third party funds including traditional equity funds and private equity funds.

INFORMATION ON THE GROUP

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Group is principally engaged in investment in both listed and unlisted investments and other related financial assets.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

As disclosed in the announcement of the Company in relation to the IM Agreement dated 26 January 2022, the remuneration of Opus Capital was determined with reference to, inter alia, value of the total assets under the management of Opus Capital. As at 31 December 2021, the value of the total Assets under the management of Opus Capital was approximately HK\$73 million (unaudited). As at 31 December 2022, the value of the total Assets under the management of Opus Capital dropped to approximately HK\$44 million (unaudited). The revised monthly fee was agreed after arms-length negotiations between the Company and Opus Capital and the Board is of the view that the reduction of the monthly management fee is reflective of the drop in the value of the total Assets under the management of Opus Capital.

The Board (including the independent non-executive Directors) considers that the terms of the Supplemental Agreement are on normal commercial terms or better in so far as the Company is concerned, in the ordinary and usual course of business of the Group, fair and reasonable, and the entering into of the Supplemental Agreement is in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Supplemental Agreement and therefore no Director was required to abstain from voting on the relevant Board resolution approving the Supplemental Agreement.

LISTING RULES IMPLICATIONS

Opus Capital is the investment manager of the Company and is therefore a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. As each of the applicable percentage ratios in respect of the highest of the Revised Annual Caps is less than 5% and the highest of the aggregate annual remuneration payable by the Company under the IM Agreement, as amended by the Supplemental Agreement, for each of the year ending 31 December 2023 and 31 December 2024 respectively is less than HK\$3,000,000, the Supplemental Agreement is fully exempt from the reporting, announcement, the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“Assets”	the assets and rights from time to time of the Company
“Board”	the board of Directors
“Company”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, with its issued shares listed on the mainboard of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IM Agreement”	the investment management agreement dated 26 January 2022 entered into between the Company and Opus Capital in relation to the appointment of Opus Capital as the Company’s investment manager for the period from 1 January 2022 to 31 December 2024
“Licensed Representative”	an individual who is granted a licence under section 120(1) of the SFO to carry on one or more regulated activity for a licensed corporation to which he/she is accredited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Opus Capital”	Opus Capital Management Limited, a company incorporated in Hong Kong and licensed to carry out Type 9 (asset management) regulated activity under the SFO and the investment manager of the Group under the IM Agreement (as amended by the Supplemental Agreement)
“Remaining Management Period”	the period from 1 March 2023 to 31 December 2024, being the remaining term of the IM Agreement
“Responsible Officer”	Licensed Representative who is also approved as a responsible officer under section 126 of the SFO to supervise the regulated activity of the licensed corporation to which he/she is accredited

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 21 March 2023 entered into between the Company and Opus Capital to amend the monthly management fee payable by the Company under the IM Agreement for the Remaining Management Period
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Prosperity Investment Holdings Limited
Lau Tom Ko Yuen
Chairman

Hong Kong, 21 March 2023

As at the date of this announcement, the Board comprises one non-executive director, namely Mr. Lau Tom Ko Yuen and three independent non-executive directors, namely Mr. Feng Nien Shu, Mr. Lui Siu Tsuen, Richard and Ms. Wong Lai Kin, Elsa.

** For identification purpose only*