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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)

(1) PROPOSED CAPITAL REORGANISATION; AND (2) PROPOSED PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

Placing Agent



PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

a. Share Consolidation

The proposed Share Consolidation is on the basis that every ten (10) issued Existing Shares of par value of HK\$0.025 each in the issued share capital of the Company be consolidated into one (1) issued Consolidated Share of par value of HK\$0.25.

b. Capital Reduction

Immediately following the Share Consolidation, the share capital of the Company will be reduced whereby:

- (i) the par value of each of the then issued Consolidated Shares will be reduced from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital of the Company to the extent of HK\$0.249 on each of the then issued Consolidated Shares; and
- (ii) the credit arising from the Capital Reduction will be credited to the Contributed Surplus Account for use by the Directors in any manner as permitted under applicable laws and the Bye-laws.

c. Share Sub-division

Immediately following the Capital Reduction, each of the then authorised but unissued Existing Shares of par value of HK\$0.025 each will be sub-divided into twenty-five (25) New Shares of par value of HK\$0.001 each.

PROPOSED PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 16 November 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which subject to the Capital Reorganisation becoming effective, the Placing Agent conditionally agreed to procure on a best effort basis, not less than six (6) Places to subscribe in cash for the Convertible Notes in an aggregate principal amount of up to HK\$5,000,000.

The initial Conversion Price for the Convertible Notes is HK\$0.166 per Conversion Share (subject to adjustments in accordance with the terms and conditions of the Convertible Notes). Assuming the Convertible Notes are placed in full, upon full exercise and conversion of the Conversion Notes, a maximum of 30,120,481 New Shares will be issued (based on the initial Conversion Price of HK\$0.166), representing (i) approximately 24.87% of the total number of New Shares in issue as adjusted for the Capital Reorganisation; and (ii) approximately 19.91% of the Company's issued New Shares as enlarged by the issue of the Conversion Shares and as adjusted for the Capital Reorganisation.

Assuming the Convertible Notes are successfully placed in full by the Placing Agent pursuant to the Placing Agreement, the gross proceeds from the Placing will be HK\$5,000,000. The net proceeds (after deducting placing commission and other expenses) will amount to approximately HK\$4,700,000, which will be used for general working capital purposes and future investments in terms of potential investment in listed securities pursuant to the investment objectives of the Company.

LISTING RULES IMPLICATIONS

Opus Capital Management Limited, being the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Opus Capital Management Limited and the Placing Agent are held by the same holding company, therefore the Placing Agent is an associate of Opus Capital Management Limited and hence a connected person of the Company. Pursuant to Rule 14A.08 of the Listing Rules, the placing services provided by the Placing Agent under the Placing Agreement constitute a connected transaction for the Company.

Since the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the placing commission payable in respect of the placing services under the Placing Agreement is expected to be less than 5% and the total consideration is less than HK\$3,000,000, it constitutes a *de minimis* connected transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Placing Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares.

A circular containing, among other things, (i) details of the proposed Capital Reorganisation; (ii) the proposed Placing; and (iii) the notice convening the SGM and form of proxy, is expected to be despatched to the Shareholders on or before 24 November 2023.

WARNING

Shareholders and potential investors of the Company should note that completion of the Capital Reorganisation and the Placing is conditional upon satisfaction of the conditions set out in the paragraphs headed "Conditions of the Capital Reorganisation" and "Conditions of the Placing" respectively in this announcement. Accordingly, the Capital Reorganisation and/or the Placing may or may not proceed.

PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

a. Share Consolidation

The proposed Share Consolidation is on the basis that every ten (10) issued Existing Shares of par value of HK\$0.025 each in the issued share capital of the Company be consolidated into one (1) issued Consolidated Share of par value of HK\$0.25.

b. Capital Reduction

Immediately following the Share Consolidation, the share capital of the Company will be reduced whereby:

- (i) the par value of each of the then issued Consolidated Shares will be reduced from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital of the Company to the extent of HK\$0.249 on each of the then issued Consolidated Shares; and
- (ii) the credit arising from the Capital Reduction will be credited to the Contributed Surplus Account for use by the Directors in any manner as permitted under applicable laws and the Bye-laws.

c. Share Sub-division

Immediately following the Capital Reduction, each of the then authorised but unissued Existing Shares of par value of HK\$0.025 each will be sub-divided into twenty-five (25) New Shares of par value of HK\$0.001 each.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of the special resolution by the Shareholders at the SGM to approve the Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Share Sub-division;
- (ii) compliance with the requirements of section 46(2) of the Companies Act to effect the Capital Reorganisation and the Directors having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date would be, unable to pay its liabilities as they become due;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation;
- (iv) the compliance with the relevant procedures and requirements under the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the date of this announcement, none of the conditions above had been fulfilled. Subject to the fulfilment of the above conditions, the Capital Reorganisation will be completed and become effective on the Effective Date.

Effects of the Capital Reorganisation and Status of the New Shares

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 4,000,000,000 Existing Shares of par value of HK\$0.025 each, of which 1,211,320,200 Existing Shares have been issued and fully paid or credited as fully paid.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the Effective Date, (i) the authorised share capital of the Company will, upon the Effective Date, be HK\$100,000,000 divided into 100,000,000,000 New Shares of par value of HK\$0.001 each, of which 121,132,020 New Shares will be issued as fully paid or credited as fully paid; and (ii) the issued share capital of the Company will be approximately HK\$121,132.

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Other than the expenses to be incurred by the Company in relation to the Capital Reorganisation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional Consolidated Shares which may arise from the Share Consolidation.

The following table sets out the effects of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the date of this announcement until the Effective Date:

	As at the date of this announcement	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.025 per Existing Share	HK\$0.001 per New Share
Authorised Shares		
Number of authorised Shares	4,000,000,000 Existing Shares	100,000,000,000 New Shares
Amount of authorised share capital	HK\$100,000,000	HK\$100,000,000
Issued Shares		
Number of issued Shares	1,211,320,200 Existing Shares	121,132,020 New Shares
Amount of the issued share capital	HK\$30,283,005	HK\$121,132
Unissued Shares		
Number of unissued Shares	2,788,679,800 Existing Shares	99,878,867,980 New Shares
Amount of the unissued share capital	HK\$69,716,995	HK\$99,878,868

Fractional Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Listing application

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reorganisation becoming effective. Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirement of HKSCC upon the Capital Reorganisation becoming effective, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other in accordance with the Bye-laws as to all future dividends and distributions which are to be declared, made or paid.

None of the Existing Shares are listed or dealt in on another stock exchange other than the Stock Exchange, and at the time when the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Exchange of certificates for New Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Wednesday, 13 December 2023, being the second Business Day immediately after the date of the SGM, the Shareholders may on or after 9:00 a.m. on Wednesday, 13 December 2023 and until 4:30 p.m. on Tuesday, 23 January 2024, submit their existing share certificates for the Existing Shares (in the colour of light grey) to the Registrar during business hours to exchange for new share certificates for the New Shares (in the colour of pink) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.5 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled or issued is higher.

Subject to and upon the Capital Reorganisation becoming effective, after trading hours on Friday, 19 January 2024, trading will only be in the New Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the New Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 15,000 Existing Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading in the New Shares will remain unchanged at 15,000 New Shares per board lot.

Based on the closing price of HK\$0.015 per Existing Share (equivalent to the theoretical closing price of HK\$0.15 per New Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 15,000 Existing Shares is HK\$225; and (ii) the estimated value per board lot of 15,000 New Shares would be HK\$2,250, assuming that the Capital Reorganisation becomes effective.

REASONS FOR AND THE BENEFITS OF THE CAPITAL REORGANISATION

The proposed Capital Reorganisation will enable the par value of the Shares to be reduced from HK\$0.025 to HK\$0.001 each.

Pursuant to the Companies Act and the Bye-laws, the Company shall not issue any shares at a price below par value. As the Existing Shares are currently trading at a price below par value, in order to facilitate possible fund raising activities in the future, it is necessary to implement the Capital Reorganisation to lower the par value of the Shares, giving greater flexibility to the Company to issue new Shares in the future.

Further, pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

Taking into account of the closing price of HK\$0.015 per Share on 16 November 2023 (being the date of this announcement), the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules.

The Share Consolidation will increase the par value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

The Capital Reduction and the Share Sub-division will keep the par value of the New Shares at a lower level of HK\$0.001 per New Share, which allows greater flexibility in the pricing for any issue of new Shares in the future.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

When considering the Capital Reorganisation, the Board has taken into account the business plan of the Company for the next 12 months. As at the date of this announcement, the Company has no intention to carry out other corporate reorganisation plan in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation, and the Company currently does not have any concrete plan to conduct any fund raising activities in the next 12 months except for the Placing. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support, among others, working capital requirements and future investment strategy of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

ODD LOTS TRADING ARRANGEMENT

In order to facilitate the trading of odd lots of the New Shares, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lots arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Shareholders holding odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Shareholders and potential investors of the Company should note that (i) odd lots will be created after the Capital Reorganisation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price.

EXPECTED TIMETABLE FOR THE CAPITAL REORGANISATION

The expected timetable for the Capital Reorganisation is set out below. The expected timetable is subject to, among others, the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	(Hong Kong time and date)
Expected despatch date of the circular with notice of the SGM	on or before 24 November 2023
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Tuesday, 5 December 2023
Closure of the register of members of the Company to determine the entitlement to attend and vote at the SGM (both days inclusive)	Wednesday, 6 December 2023 to Monday, 11 December 2023
Latest time for lodging proxy form for the SGM	11:00 a.m. on Saturday, 9 December 2023
Date and time of the SGM	11:00 a.m. on Monday, 11 December 2023
Publication of the announcement of the results of the SGM	Monday, 11 December 2023

The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation as set out in this announcement, and therefore the dates are tentative:

Effective date of the Capital Reorganisation	Wednesday, 13 December 2023
First day of free exchange of Existing Share certificates for new share certificates for the New Shares	Wednesday, 13 December 2023

Event	(Hong Kong time and date)
Dealing in the New Shares commences	9:00 a.m. on Wednesday, 13 December 2023
Original counter for trading in Shares in board lots of 15,000 Existing Shares (in form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 13 December 2023
Temporary counter for trading in New Shares in board lots of 1,500 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 13 December 2023
Original counter for trading in the New Shares in board lots of 15,000 New Shares (in the form of new share certificates for New Shares) re-opens	9:00 a.m. on Friday, 29 December 2023
Parallel trading in the Shares and New Shares (in the form of the existing and new share certificates) commences	9:00 a.m. on Friday, 29 December 2023
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	9:00 a.m. on Friday, 29 December 2023
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	4:00 p.m. on Friday, 19 January 2024
Temporary counter for trading in board lots of 1,500 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 19 January 2024
Parallel trading in the Shares and the New Shares (in the form of new and existing share certificates) ends	4:10 p.m. on Friday, 19 January 2024
Last day of free exchange of existing share certificates for new share certificates for the New Shares	4:30 p.m. on Tuesday, 23 January 2024

PROPOSED PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

THE PLACING AGREEMENT

Date

16 November 2023 (after trading hours)

Parties

Issuer : the Company
Placing Agent : Opus Securities Limited

The Placing

Subject to the Capital Reorganisation becoming effective, the Placing Agent conditionally agreed to procure, on a best effort basis, not less than six (6) Placees who and whose ultimate beneficial owners are Independent Third Parties to subscribe in cash for the Convertible Notes in an aggregate principal amount of up to HK\$5,000,000 at the issue price of 100% of the principal amount of the Convertible Notes.

PRINCIPAL TERMS OF THE CONVERTIBLE NOTES

Principal terms of the Convertible Notes are set out below:

Issuer : the Company

Aggregate principal amount : Up to HK\$5,000,000

Maturity Date : The date falling on the second (2nd) anniversary of the date of first issue of the Convertible Notes or if that is not a Business Day, the first Business Day thereafter.

Interest rate : 8% per annum, accrued daily on a 360 days basis and payable semi-annually in arrears.

Conversion Price : Initially HK\$0.166 per Conversion Share, subject to adjustments in accordance with the provisions of the Convertible Notes.

Adjustments to the
Conversion Price

: The Conversion Price shall from time to time be adjusted if any event listed below arises:

- (a) If there is an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

- (b) If the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 80% of the current market price per Share on the last trading day preceding the announcement of the terms of the issue or grant (whether or not such issue or grant is subject to the approval of the holders of Shares or other persons), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such current market price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

(c) If the Company issues (otherwise than as mentioned in sub-paragraph (b) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares), or issue or grant (otherwise than as mentioned in sub-paragraph (b) above) options, warrants or other rights to subscribe for or purchase Shares, in each case at a price per Share which is less than 80% of the current market price on the last trading day preceding the date of announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such current market price per Share; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

(d) if the Company shall issue any securities (other than the Convertible Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares or securities which by their terms might be redesignated as Shares to be issued by the Company upon conversion, exchange or subscription or redesignation, at a consideration per Share receivable by the Company which is less than 80% of the current market price on the last trading day preceding the date of the announcement of the terms of the issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue;
 - B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued upon conversion or exchange or upon exercise of the right of subscription attached to such securities or for the Shares to be issued or arise from any such redesignation would purchase at such current market price per Share; and
 - C is the maximum number of Shares to be issued upon conversion into or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate or the Shares to be issued or to arise from any such redesignation.
- (e) If there is any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in subparagraph (d) above so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 80% of the current market price on the last trading day immediately preceding the date of announcement of the proposals for such modification or (if there is no such announcement) the date of such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange, or upon exercise of the right of subscription attached to the securities so modified, would purchase at such current market price per Share or, if lower, the existing conversion, exchange or subscription price; and

C is the maximum number of Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as the auditors or approved financial advisor, acting as expert, considers appropriate (if at all) for any previous adjustment under this sub-paragraph (e).

(f) If the Company shall issue Shares for the acquisition of any asset which is less than 80% of the market price per Share at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by the auditors or approved financial advisor. Such adjustment shall become effective on the date of such issue.

Conversion Period : The period commencing from the date of first issue of Convertible Notes up to and including the date falling on the seventh (7th) day immediately prior to the Maturity Date provided that if (a) the Company shall default in making payment in full in respect of a Convertible Note which shall have been called for redemption on the date fixed for redemption thereof; or (b) a Convertible Note has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events of default described in the instrument constituting the Convertible Notes; or (c) a Convertible Note is not redeemed on the Maturity Date, then, without prejudice to the CN Holder's right to receive default interest, the conversion right attaching to such Convertible Note will revive and/or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys (both principal and interest) payable in respect of such Convertible Note has been duly received by the CN Holder.

Event of Default : If any of the events specified below occurs, any CN Holder may give notice to the Company that the Convertible Note(s) held by such CN Holder are immediately due and payable:

(a) a default is made in the payment of any amount due in respect of the Convertible Note(s) within 7 Business Days from the due date of payment; or

- (b) the Company defaults in performance or observance or compliance with any other of its obligations (including, without limitation, its undertakings and covenants) contained in the conditions, and which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the CN Holder remedied within fourteen (14) Business Days after notice of such default shall have been sent from the CN Holder to the Company; or
- (c) other than as a result of, or in circumstances where, an offer made to holders of Shares to acquire all or any proportion of the Shares becoming unconditional, the listing of the Shares (as a class) on the Stock Exchange:
 - (i) ceases; or
 - (ii) is suspended for a continuous period of sixty (60) trading days; or
- (d) any amounts of principal repayment or interest payment in relation to borrowings of the Company are not paid when due, or as the case may be, within any applicable grace period and the relevant creditor notifies the Company that such non-payment constitutes an event of default under the terms of relevant facility; or
- (e) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any material part of the undertaking, property, assets or revenues of the Company and is not discharged, paid out, withdrawn or remedied within thirty (30) Business Days; or
- (f) the Company becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or the whole or any material part of the undertaking, property, assets or revenues of the Company or enters into a general arrangement or composition with or for the benefit of its creditors; or

- (g) if it shall become unlawful for the Company to perform all or any of its obligations under the conditions or the Convertible Note(s), or the conditions or the Convertible Note(s) shall for any reason cease to be in full force or effect or shall be declared to be void or illegal or be repudiated or the legality, validity, priority, admissibility in evidence or enforceability thereof shall be contested by the Company or the Company shall deny that it has any, or any further, liability or obligation under or in respect of the same;
- (h) if any of the following events shall occur to the Company:
 - (i) the filing of a petition in any bankruptcy, reorganisation, winding-up or liquidation proceeding or other proceedings analogous in purpose or effect and any such petition is not discharged within thirty (30) days; or
 - (ii) the appointment of a receiver or trustee for the bankruptcy, reorganisation, winding-up or liquidation of any assets or properties of the Company and such appointment is not discharged within thirty (30) days; or
 - (iii) the entry of any court order or judgement confirming the bankruptcy or insolvency of the Company; or
 - (iv) any order is made or an effective resolution passed for the winding-up, liquidation, dissolution of the Company or the taking of any corporate action to authorise or give effect to any of the foregoing; or
- (i) the Company ceases or threatens to cease to carry on all or substantially all of its business or operation; or
- (j) any governmental authority or agency confiscates, condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company; or
- (k) if a distress, execution or seizure before judgment is levied or enforced upon or sued against any part of the properties of the Company and is not discharged within thirty (30) Business Days thereof; or
- (l) the Company or the Group sells or transfers or otherwise disposes all or a material part of its property, assets, revenues or undertaking.

Conversion Rights : The CN Holders shall have the right to convert the whole or any part (in minimum amount of HK\$24,900 or an integral multiple thereof) of the outstanding principal amount of the Convertible Notes into Shares during the Conversion Period at the Conversion Price provided that no CN Holders shall exercise any conversion rights to the extent that immediately after such conversion (i) the CN Holder together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or otherwise being obliged to make a general offer for Shares in accordance with the requirement of the Takeovers Code; or (ii) there will not be sufficient public float of the Shares as required under the Listing Rules, unless prior approval or waiver has been obtained from the Stock Exchange for such purposes and where any conditions to which such approval or waiver is subject are duly complied with.

Maturity and Early Redemption : Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem the Convertible Notes on the Maturity Date at the redemption amount which is 100% of the principal amount thereof outstanding plus the Redemption Premium, together with interest accrued thereon (and not yet paid) up to the actual date of redemption. The Company has the right, at any time commencing from the first anniversary of the first issue date of the Convertible Notes and prior to the Maturity Date, to redeem the Convertible Notes in whole or in part at the principal amount thereof plus the applicable Redemption Premium, together with interest accrued thereon but not yet paid.

Redemption Premium : “Redemption Premium” means a sum equivalent to the following:

$$A \times B \times C$$

Where:

A is:

- (i) in respect of redemption on the Maturity Date, the outstanding principal amount of the Convertible Note(s) on the Maturity Date;
- (ii) in respect of early redemption by the Company prior to the Maturity Date, the principal amount to be redeemed under the relevant notice issued by the Company; and

(iii) in respect of redemption upon occurrence of any events of defaults, the outstanding principal amount of the Convertible Note held by the CN Holder giving the notice.

B is the rate of four per cent (4%) per annum

C is the number of days from the issue date of the Convertible Note until (but excluding) the Maturity Date or the date for redemption pursuant to the relevant notice issued by the Company (for early redemption by the Company) or the notice issued by the relevant CN Holder (for redemption upon event of default) divided by 360 days.

- Status : The Convertible Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and rank, and shall rank, equally among themselves and *pari passu* and rateably without any preference among themselves, and with all other present and future, unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
- Voting : The CN Holders will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being holders of the Convertible Notes.
- Transferability : The Convertible Notes may be transferred or assigned in whole or in part (if in part, in minimum amount of HK\$20,000 or in whole multiple thereof) to any person subject to the conditions, approvals, requirements and any other provisions of or under:
- (a) the Stock Exchange or their rules and regulations; and
 - (b) all applicable rules and regulations,
- provided that the Convertible Notes (or any part(s) thereof) shall not be assigned or transferred to a connected person of the Company without prior written consent of the Company.

Specific Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the SGM, therefore the Placing Agreement and the transactions contemplated thereunder will be subject to the Shareholders' approval at the SGM.

Numbers of Conversion Shares to be issued upon exercise of the Conversion Rights

Assuming the Conversion Rights are exercised in full at the initial Conversion Price of HK\$0.166, a maximum of 30,120,481 Conversion Shares will be allotted and issued, which represents:

- (i) approximately 24.87% of the total number of New Shares in issue as adjusted for the Capital Reorganisation; and
- (ii) approximately 19.91% of the Company's issued New Shares as enlarged by the issue of the Conversion Shares and as adjusted for the Capital Reorganisation.

Placee(s)

The Convertible Notes shall be placed to not less than six (6) independent Placees who will be professional investor(s) and whose ultimate beneficial owner(s) are Independent Third Parties.

It is expected that none of the CN Holders will become a substantial shareholder of the Company upon full conversion of the Convertible Notes.

Conversion Price

The initial Conversion Price of HK\$0.166 per Conversion Share represents:

- (i) a premium of approximately 10.67% over the closing price of HK\$0.150 per Share (as adjusted by the Capital Reorganisation) as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a premium of approximately 10.67% over the average closing price of approximately HK\$0.150 per Share (as adjusted by the Capital Reorganisation) as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the date of this announcement;
- (iii) a premium of approximately 12.93% over the average closing price of approximately HK\$0.147 per Share (as adjusted by the Capital Reorganisation) as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the date of this announcement; and
- (iv) a discount of approximately 20.95% to the unaudited consolidated net asset value of HK\$0.21 per Share (as adjusted by the Capital Reorganisation) as at 31 October 2023.

The initial Conversion Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the recent market prices of the Shares and the interest rate and Redemption Premium payable on the Convertible Notes. The Directors consider that the initial Conversion Price is fair and reasonable.

Every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the auditors of the Company or an independent financial adviser selected by the Company.

The Company will make further announcement(s) as and when appropriate if there is any adjustments to the Conversion Price upon occurrence of events in sub-paragraphs (a) to (f) under the section headed “Principal Terms of the Convertible Notes — Adjustments to the Conversion Price” in this announcement. The Company will also disclose in such announcement(s) the mechanism of adjustments determined by the auditors or approved financial advisor upon occurrence of event in sub-paragraph (f).

Ranking of the Conversion Shares

The Conversion Shares when allotted, issued and fully paid, shall rank *pari passu* in all respects among themselves and with all other fully paid Shares then in issue.

Placing Commission

The Company shall pay the Placing Agent a commission of 2% of the total principal amount of the Convertible Notes successfully placed, out of which the Placing Agent will meet its selling concession and sub-placing commission obligations (if any) in accordance with the Placing Agreement.

The placing commission was negotiated on an arm’s length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate for transactions comparable to the Placing.

The Directors consider that the placing commission is fair and reasonable based on the current market conditions.

Conditions of the Placing

The Placing and the obligation of the Placing Agent under the Placing Agreement are conditional upon the following:

- (1) the passing of the special resolution by the Shareholders at the SGM approving the Capital Reorganisation and the Capital Reorganisation having become effective;
- (2) the passing of the ordinary resolution by the Shareholders at the SGM approving the Placing Agreement and the transactions contemplated hereunder, including the issue of the Convertible Notes and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares;
- (3) the Listing Division of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked approval for the listing of, and permission to deal in, all the Conversion Shares; and
- (4) the compliance of any other requirements under the Listing Rules and Takeovers Code or otherwise of the Stock Exchange and/or the Securities and Futures Commission which requires compliance in relation to the Placing and the issue of the Conversion Shares.

The above conditions are incapable of being waived. If the above conditions are not fulfilled by 29 February 2024, being the long stop date (or such later time and date as may be agreed between the Placing Agent and the Company), the Placing Agreement shall cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Placing save for any antecedent breach and surviving provisions of the Placing Agreement.

Termination of the Placing Agreement

If at any time at or prior to 5:00 p.m. (Hong Kong time) on the Closing Date:

- (a) in the reasonable opinion of the Placing Agent, the Placing would be materially and adversely affected by:
- i. the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or
 - ii. the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic currency, market, pandemic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, affecting local securities markets; or
 - iii. any material adverse change in the business or in the financial or trading position or prospect of the Company or the Group as a whole; or
 - iv. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or
 - v. there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise; or
 - vi. the commencement by any third party of any litigation against any member of the Group which is might be material to the Company or the Group taken as a whole; or
- (b) any adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of

this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or

- (c) this announcement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which in the reasonable opinion of the Placing Agent is material to the Group as a whole and is likely to affect materially and adversely the success of the Placing; or
- (d) any breach (which is material in the reasonable opinion of the Placing Agent) of any of the representations, warranties and undertakings set out in the Placing Agreement comes to the knowledge of the Placing Agent or there has been a breach (which is material in the reasonable opinion of the Placing Agent) of any other provision of the Placing Agreement,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 5:00 p.m. (Hong Kong time) on the Closing Date.

Completion

Subject to the fulfilment of the abovementioned conditions precedent, Completion shall take place on the Closing Date (or such later time and date as may be agreed between the Placing Agent and the Company).

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Convertible Notes will be sought on the Stock Exchange or any other stock exchange.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

Assuming the Convertible Notes are successfully placed in full by the Placing Agent pursuant to the Placing Agreement, the gross proceeds from the Placing will be HK\$5,000,000. The net proceeds (after deducting placing commission and other expenses) will amount to approximately HK\$4,700,000 which will be used for (i) approximately HK\$3,700,000 for general working capital purposes, such as payroll related expenses, IT support, rental and building management fee, remuneration of the Directors and other day-to-day operation payments; and (ii) approximately HK\$1,000,000 for future investments in listed securities pursuant to the investment objectives of the Company. The listed securities targeted for investments will principally be engaged in industries such as financial services, information technology and renewable energy resources.

The Directors consider that the Placing represents a good opportunity for the Company to raise funds to strengthen its financial position without resulting in immediate dilution effect on the shareholding of the existing Shareholders. The Directors consider the terms of the Placing Agreement and the Convertible Notes are on normal commercial terms and are fair and reasonable, and the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company: (i) as at the date of this announcement; (ii) immediately after the completion of the Capital Reorganisation; and (iii) immediately after conversion in full of the Convertible Notes are set out as follows:

	As at the date of this announcement		Immediately after the completion of the Capital Reorganisation		Immediately after conversion in full of the Convertible Notes	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
All Fame Developments Limited (<i>Note</i>)	266,890,840	22.03%	26,689,084	22.03%	26,689,084	17.65%
Mr. Lau Tom Ko Yuen	53,400,000	4.41%	5,340,000	4.41%	5,340,000	3.53%
The Placees	—	—	—	—	30,120,481	19.91%
Other public Shareholders	<u>891,029,360</u>	<u>73.56%</u>	<u>89,102,936</u>	<u>73.56%</u>	<u>89,102,936</u>	<u>58.91%</u>
Total	<u><u>1,211,320,200</u></u>	<u><u>100.00%</u></u>	<u><u>121,132,020</u></u>	<u><u>100.00%</u></u>	<u><u>151,252,501</u></u>	<u><u>100.00%</u></u>

Note:

All Fame Developments Limited is controlled as to 100% by Sun Matrix Limited, of which 50% is controlled by Mr. Lau Tom Ko Yuen, the non-executive Director and Chairman of the Company and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen.

LISTING RULES IMPLICATIONS

Opus Capital Management Limited, being the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. Opus Capital Management Limited and the Placing Agent are held by the same holding company, therefore the Placing Agent is an associate of Opus Capital Management Limited and hence a connected person of the Company. Pursuant to Rule 14A.08 of the Listing Rules, the placing services provided by the Placing Agent under the Placing Agreement constitute a connected transaction for the Company.

Since the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the placing commission payable in respect of the placing services under the Placing Agreement is expected to be less than 5% and the total consideration is less than HK\$3,000,000, it constitutes a *de minimis* connected transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) considered the terms of the placing services provided by the Placing Agent under the Placing Agreement, which constitute a connected transaction for the Company, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Placing Agreement and the transactions contemplated thereunder, including the issue of the Convertible Notes and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares.

A circular containing, among other things, (i) details of the proposed Capital Reorganisation; (ii) the proposed Placing; and (iii) the notice convening the SGM and form of proxy, is expected to be despatched to the Shareholders on or before 24 November 2023.

WARNING

Shareholders and potential investors of the Company should note that completion of the Capital Reorganisation and the Placing is conditional upon satisfaction of the conditions set out in the paragraphs headed “Conditions of the Capital Reorganisation” and “Conditions of the Placing” respectively in this announcement. Accordingly, the Capital Reorganisation and/or the Placing may or may not proceed.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company (as amended from time to time)

“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving: (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Sub-division
“Capital Reduction”	the proposed reduction of the par value of each of the then issued Consolidated Shares from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital to the extent of HK\$0.249 on each of the then issued Consolidated Shares
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“CCASS Operation Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Closing Date”	within five (5) Business Days following the date on which conditions precedent set out in the Placing Agreement are fulfilled or being satisfied
“CN Holder(s)”	holder(s) of the Convertible Note(s)
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, with its issued Shares listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.25 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Conversion Period”	the period commencing from the date of first issue of Convertible Notes up to and including the date falling on the seventh (7th) day immediately prior to the Maturity Date
“Conversion Price”	initially HK\$0.166, subject to adjustments in accordance with the terms and conditions of the Convertible Notes

“Conversion Rights”	the rights attached to the Convertible Notes to convert the aggregate principal amount or a part thereof into Conversion Shares
“Conversion Share(s)”	the New Share(s) to be issued by the Company upon exercise of the Conversion Rights
“Convertible Note(s)”	the convertible note(s) in an aggregate principal amount of up to HK\$5,000,000 to be issued by the Company pursuant to the Placing Agreement
“Director(s)”	director(s) of the Company
“Effective Date”	the second Business Day immediately following the date of the SGM (subject to the passing of the special resolution approving the Capital Reorganisation and the fulfillment of the other conditions set forth in the paragraph headed “Conditions of the Capital Reorganisation” in this announcement)
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.025 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling on the second (2nd) anniversary of the date of first issue of the Convertible Notes or if that is not a Business Day, the first Business Day thereafter
“New Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Placee(s)”	professional investor(s) procured by the Placing Agent to subscribe for any of the Convertible Note(s) pursuant to the Placing Agreement

“Placing”	the placing of the Convertible Notes under the Specific Mandate pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Opus Securities Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the placing agent of the Convertible Notes under the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 16 November 2023 entered into between the Company as issuer and the Placing Agent as placing agent in relation to the Placing
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Redemption Premium”	as described under the section headed “Principal Terms of the Convertible Notes — Redemption Premium” in this announcement
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation, the Placing Agreement and the transactions contemplated thereunder including the issue of the Convertible Notes and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares
“Share(s)”	Existing Share(s), Consolidated Share(s), New Share(s) and/or Conversion Share(s), as the case maybe
“Share Consolidation”	the proposed consolidation of every ten (10) issued Existing Shares of par value of HK\$0.025 each in the issued share capital of the Company into one (1) issued Consolidated Share of par value of HK\$0.25
“Share Sub-division”	the proposed sub-division of each of the then authorised but unissued Existing Shares of par value of HK\$0.025 each into twenty-five (25) New Shares of par value of HK\$0.001 each
“Shareholder(s)”	holder(s) of the Share(s)

“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the SGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Repurchases
“%” or “per cent.”	percentage or per centum

By order of the Board
Prosperity Investment Holdings Limited
Wan Tat Kay Dominic Savio
Company Secretary

Hong Kong, 16 November 2023

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

This announcement is made in English and Chinese. In case of any inconsistency, the English version shall prevail.

* *For identification purpose only*