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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)

SUBSCRIPTION OF CONVERTIBLE NOTES UNDER GENERAL MANDATE AND CONTINUED SUSPENSION OF TRADING

THE SUBSCRIPTION

On 30 April 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has agreed to issue, and the Subscriber has agreed to subscribe for, the Convertible Notes in the principal amount of HK\$4,000,000 at the initial Conversion Price of HK\$0.166 per Conversion Share during the Conversion Period. Completion of the Subscription Agreement took place upon the signing of the Subscription Agreement.

Assuming the Conversion Rights are exercised in full at the initial Conversion Price of HK\$0.166, a maximum of 24,096,385 Conversion Shares will be allotted and issued, which represents (i) approximately 19.89% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 16.59% of the issued Shares as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate. Under the General Mandate, the Company is authorised to issue up to 24,226,404 Shares (adjusted after the share consolidation and capital reorganisation becoming effective on 13 December 2023) until the revocation, variation or expiration of the General Mandate. The Company has yet to utilise any of the General Mandate prior to the date of the Subscription Agreement.

The Subscription Agreement and the transactions contemplated therein, including the allotment and issue of Conversion Shares under the General Mandate, are not subject to Shareholders' approval. No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

THE SUBSCRIPTION

On 30 April 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has agreed to issue, and the Subscriber has agreed to subscribe for, the Convertible Notes in a principal amount of HK\$4,000,000 at the initial Conversion Price of HK\$0.166 per Conversion Share during the Conversion Period. Completion of the Subscription Agreement took place upon the signing of the Subscription Agreement and the Company shall issue the Convertible Notes to the Subscriber once the cash payable by the Subscriber has been successfully deposited into the Company's bank account.

Details of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date

30 April 2024 (after trading hours)

Parties

Issuer : the Company

Subscriber : Mr. KWAN Wai Ming

The terms of the Subscription Agreement were arrived at after arm's length negotiations between the Company and the Subscriber under normal commercial terms and with reference to the prevailing market conditions. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market conditions and the Subscription is in the interests of the Company and the Shareholders as a whole.

Subscription

Subject to the terms of the Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue to the Subscriber, the Convertible Notes in the principal amount of HK\$4,000,000.

Principal Terms of the Convertible Notes

Issuer : the Company

Principal amount : HK\$4,000,000

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 Note.
- Adjustment 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 subparagraph (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 subparagraph (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 Note) 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 subparagraph (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 first Business Day following the date of the Listing Approval 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 is 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) (other than the suspension of trading in Shares on the Stock Exchange since 2 April 2024) 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) save pursuant to a voluntary winding up, 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 (save pursuant to any voluntary winding up of any of its subsidiaries) 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 (save pursuant to any voluntary winding up of any of its subsidiaries) 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.

Conversion Rights : The CN Holder 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 Holder 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(s) 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 Notes 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 Holder 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 Note (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.

General Mandate to allot and issue the Conversion Shares

The Subscription Agreement and the transactions contemplated therein, including the allotment and issue of Conversion Shares under the General Mandate, are not subject to the Shareholders' approval. The maximum number of shares that can be issued under the General Mandate is 242,264,040 shares with par value of HK\$0.025 each, being 20% of the total number of shares of the Company as at the date of the annual general meeting of the Company held on 31 May 2023, which was adjusted to 24,226,404 Shares after the share consolidation and the capital reorganisation becoming effective on 13 December 2023.

As at the date of this announcement, no part of the General Mandate has been utilised. Assuming full conversion of the Convertible Notes, the Conversion Shares will utilise 24,096,385 Shares under the General Mandate.

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

Assuming the Conversion Rights are exercised in full at the Conversion Price of HK\$0.166, a maximum of 24,096,385 Conversion Shares will be allotted and issued, which represents:

- (i) approximately 19.89% of the total number of Shares in issue as at the date of this announcement; and
- (ii) approximately 16.59% of the issued Shares as enlarged by the issue of the Conversion Shares.

Conversion Price

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

- (i) a premium of approximately 66.0% over the closing price of HK\$0.10 per Share as quoted on the Stock Exchange as at the Last Trading Day;
- (ii) a premium of approximately 67.7% over the average closing price of approximately HK\$0.099 per Share quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 77.4% over the average closing price of approximately HK\$0.094 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day; and
- (iv) a premium of approximately 492.9% on the unaudited consolidated net asset value of HK\$0.028 per Share as at 28 February 2024.

The initial Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares, 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.

Completion

Completion of the Subscription Agreement took place upon the signing of the Subscription Agreement and the Company shall issue the Convertible Notes to the Subscriber once the cash payable by the Subscriber has been successfully deposited into the Company's bank account.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. The Listing Approval is not a condition precedent to the completion of the Subscription Agreement, but the CN Holder may only exercise its Conversion Rights to convert the Convertible Notes into Conversion Shares after the Listing Approval having been granted.

No listing of the Convertible Notes will be sought on the Stock Exchange or any other stock exchange.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Subscription will amount to approximately HK\$4,000,000. The net proceeds (after deducting Subscription related expenses) will amount to approximately HK\$3,900,000 which will be used for general working capital purposes, such as payroll related expenses, IT support, rental, remuneration of the Directors and other day-to-day operation payments of the Group.

The Directors consider that the Subscription represents a good opportunity to raise capital for the Group. The Directors consider the terms of the Subscription Agreement and the Subscription are on normal commercial terms and are fair and reasonable, and the Subscription is in the interests of the Company and the Shareholders as a whole.

The Directors have considered different capital raising methods and evaluated the costs of carrying out capital raising through open offer and rights issue and consider these methods to be more expensive than the General Mandate. The Board will not consider capital raising by either open offer or rights issue at this stage as the expected costs involved in preparing documentation such as underwriting agreements, prospectus and prospectus documents and the commission to be paid to underwriters are relatively higher than those through the General Mandate.

INFORMATION ON THE COMPANY

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.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a Hong Kong resident and has over 35 years of experience in the construction industry. He was appointed as an executive director at Chun Sing Engineering Holdings Limited (Stock Code: 2277.HK) from July 2014 until September 2019, and the company was subsequently privatised in November 2020.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber is a professional investor (as defined in the SFO and the Securities and Futures (Professional Investor) Rules), and the Subscriber is an Independent Third Party and does not hold any Shares as at the date of this announcement.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fund-raising activity involving issue of securities in the twelve (12) months before the date of this announcement:

Date of completion announcement	Fund-raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
29 December 2023	Placing of Existing Convertible Notes under specific mandate	HK\$3.7 million	— HK\$2.7 million will be used for general working capital purposes; and	— HK\$2.7 million was used for general working capital purposes; and
			— HK\$1 million for future investments in listed securities pursuant to the investment objectives of the Company	— HK\$1 million was used to acquire listed securities pursuant to the investment objectives of the Company

Save for the above disclosed activities, the Company had not conducted any fund-raising activities involving the issue of securities 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 conversion in full of the Convertible Notes; and (iii) immediately after conversion in full of the Convertible Notes and Existing Convertible Notes, are set out as follows:

	As at the date of this announcement		Immediately after conversion in full of the Convertible Notes		Immediately after conversion in full of the Convertible Notes and Existing Convertible Notes	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
ALL Fame Developments Limited (<i>Note</i>)	26,689,084	22.03%	26,689,084	18.38%	26,689,084	15.76%
Mr. Lau Tom Ko Yuen	5,340,000	4.41%	5,340,000	3.68%	5,340,000	3.16%
The Subscriber	—	—	24,096,385	16.59%	24,096,385	14.23%
Holders of Existing Convertible Notes	—	—	—	—	24,096,384	14.23%
Other public Shareholders	<u>89,102,936</u>	<u>73.56%</u>	<u>89,102,936</u>	<u>61.35%</u>	<u>89,102,936</u>	<u>52.62%</u>
Total	<u>121,132,020</u>	<u>100.00%</u>	<u>145,228,405</u>	<u>100.00%</u>	<u>169,324,789</u>	<u>100.00%</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.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 2 April 2024 in accordance with Rule 13.50A of the Listing Rules and will remain suspended until further notice.

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 commercial banks generally are open for business in Hong Kong
“CN Holder”	holder of the Convertible Notes
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Period”	the period commencing from the first Business Day following the date of the Listing Approval 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 principal amount or a part thereof into Conversion Shares
“Conversion Share(s)”	the Share(s) to be issued by the Company upon exercise of the Conversion Rights
“Convertible Notes”	the convertible notes in a principal amount of HK\$4,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“Existing Convertible Notes”	the convertible notes issued by the Company on 29 December 2023 in aggregate principal amount of HK\$4,000,000

“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2023 to allot, issue or deal with up to 242,264,000 ordinary shares of par value of HK\$0.025 each, representing 20% of the total number of the issued shares as at the date of the annual general meeting, which was adjusted to 24,226,406 Shares after the share consolidation and the capital reorganisation becoming effective on 13 December 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party 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
“Last Trading Day”	28 March 2024, being the last trading day prior to the suspension of trading in the Shares in accordance with Rule 13.50A of the Listing Rules
“Listing Approval”	the approval by the Listing Division of the Stock Exchange for the listing of and permission to deal in the Conversion Shares
“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
“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 and Taiwan
“Redemption Premium”	as described under the section headed “Principal Terms of the Convertible Note — Redemption Premium” in this announcement
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. KWAN Wai Ming
“Subscription”	the subscription of the Convertible Notes pursuant to and subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the Subscription Agreement dated 30 April 2024 entered into between the Company and the Subscriber in respect of the Subscription
“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, 30 April 2024

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*