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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)

SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to the annual report for the year ended 31 December 2025 (the "**2025 Annual Report**") of Prosperity Investment Holdings Limited (the "**Company**"). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the 2025 Annual Report.

In addition to the information disclosed in the 2025 Annual Report, the Company wishes to provide the Shareholders and the public with additional information in relation to the 2025 Annual Report as follows.

INVESTMENTS

During November 2025, the Group acquired certain listed securities, including securities in China Investment and Finance Group Limited and AMCO United Holding Limited (collectively, the "**Relevant Investments**"). In reviewing the investment size calculations for the Relevant Investments, the Company identified that the relevant investment ratios had been calculated using the Group's total assets instead of its net asset value ("**NAV**"). As a result, the investment ratios were understated and Relevant Investments had exceeded the 20% NAV threshold.

IMPLICATIONS UNDER THE LISTING RULES

The Company acknowledges that the use of total assets instead of NAV resulted in a breach of the applicable investment limit under Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Based on the Company's assessment of the relevant transactions and the applicable size tests, the Relevant Investments did not constitute notifiable transactions under Chapter 14 of the Listing Rules. The breach of the applicable investment limit under Chapter 21 and the classification of the transactions under Chapter 14 are separate matters.

The Company has taken remedial measures to strengthen its investment assessment and compliance procedures and to reduce the risk of similar incidents recurring. Further details are set out below.

BACKGROUND AND CIRCUMSTANCES OF THE BREACH

In October 2025, the Company completed a placing of new share under specific mandate, following which the Company's financial position changed from net liabilities to net assets.

In November 2025, the Company acquired listed securities in China Investment and Finance Group Limited and AMCO United Holding Limited.

Pursuant to Rule 21.04(3)(b) of the Listing Rules, an investment company is generally required to maintain a reasonable spread of investments, such that the value of its holding of investments issued by any one company or body does not exceed 20% of the investment company's net asset value at the time when such investment is made.

When preparing the internal assessment form for the Relevant Investments, a staff member from the Investment and Operation Department, mistakenly used the Company's total assets instead of its NAV as the denominator when calculating the applicable investment ratios.

As the Company's total assets were higher than its NAV, the calculated ratios were understated. Consequently, the assessment did not identify that the Relevant Investments had exceeded the 20% NAV threshold at the relevant times. The Company acknowledges that this resulted in a breach of the investment limit under Rule 21.04(3)(b) of the Listing Rules.

LISTING RULES IMPLICATIONS

The Company has reviewed the applicable percentage ratios in respect of the Relevant Investments under Chapter 14 of the Listing Rules. Based on the Company's assessment, the Relevant Investments did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

The breach concerned the investment limit applicable to the Company under Chapter 21 of the Listing Rules. The Company has taken steps to address the matter and strengthen its internal control procedures, as set out below.

SUBSEQUENT DISPOSAL OF THE RELEVANT INVESTMENTS

Following the identification of the issue, the Company took action to dispose of the Relevant Investments to reduce its investment exposure below 20% of the Company's NAV.

The Company will continue to monitor its investment portfolio and the applicable NAV-based investment ratios to ensure compliance with the relevant investment limits under Chapter 21 of the Listing Rules.

REASONS FOR THE BREACH AND THE FAILURE OF THE EXISTING REVIEW PROCEDURES

Following an internal review, the Company identified that the primary cause of the breach was a calculation error made by a newly appointed staff member in the Investment and Operation Department when preparing the internal assessment form for the Relevant Investments.

The staff member mistakenly used total assets instead of NAV as the denominator for calculating the applicable investment ratios. As total assets were higher than NAV, the resulting ratios were understated and did not identify that the Relevant Investments had exceeded the 20% NAV threshold.

The error was not detected during the subsequent review. The existing review process focused primarily on the investment proposals and the calculated investment ratios presented in the assessment form. As the assessment form contained a calculated ratio that appeared to be within the applicable investment limit, the incorrect use of total assets as the denominator was not identified.

Furthermore, the significant change in the Company's financial position following the placing had not been adequately taken into account when reviewing the calculation. Consequently, the acquisitions were approved without the error being identified before execution.

The Company acknowledges that the existing internal control procedures did not include a sufficiently effective verification step to ensure that the correct NAV figure had been used in calculating the applicable percentage ratios. The Company regrets this oversight.

REMEDIAL ACTIONS

To address the underlying causes of the breach and prevent similar incidents from recurring, the Company has implemented the following remedial measures:

(i) Additional independent review and compliance oversight

In addition to the existing investment review and approval procedures, the Company has designated its Company Secretary, Mr. Eddie Chee Sum Lam, to oversee compliance with the 20% NAV investment threshold and to conduct an additional independent review of the relevant NAV calculations and investment ratios before the relevant investment transactions are approved.

Mr. Lam graduated from the University of California, Los Angeles with a Bachelor of Arts degree in Business Economics. Mr. Lam is a full member of CPA Australia and a Chartered Financial Analyst charterholder. He has over 20 years' working experience in the fields of accounting, auditing and company secretarial services.

Mr. Lam will be responsible for overseeing the implementation of the enhanced procedures, verifying that the correct NAV figure is used in calculating the applicable investment ratios, and ensuring that any potential breach of the investment limit is escalated to the appropriate senior management personnel before the relevant transaction proceeds.

(ii) Mandatory pre-trade NAV-based size test and compliance checklist

The Company has implemented a mandatory pre-trade NAV-based size test and compliance checklist for investment transactions.

Before any investment transaction is approved, the applicable investment ratios must be calculated using the Company's NAV and checked against the relevant investment limits under Chapter 21 of the Listing Rules. The assessment must be completed and reviewed before the transaction is executed.

Any discrepancy or potential breach identified during the assessment must be escalated to the appropriate senior management personnel for further review and resolution before the transaction proceeds.

(iii) Supporting consolidated management accounts

The latest available consolidated management accounts showing the Company's financial position and NAV must be attached to the relevant internal assessment form.

The NAV figure used in the calculation and the resulting investment ratios must be checked against the supporting financial information. This requirement is intended to ensure that the calculation is based on the appropriate financial information and that any material change in the Company's NAV is properly reflected in the assessment.

(iv) Compliance training

The Company has arranged additional compliance training for relevant personnel involved in investment analysis, transaction assessment, approval and compliance monitoring.

The training sessions were conducted on 15 September 2026 and attended by operating manager, executive director, and investment manager of the Company.

The training covered the relevant requirements of the Listing Rules, with particular emphasis on:

(a) Chapter 13 of the Listing Rules, including the continuing obligations of listed issuers and relevant disclosure requirements;

(b) Chapter 14A of the Listing Rules, including the identification of connected persons and the applicable compliance requirements for connected transactions; and

(c) Chapter 21 of the Listing Rules, including the requirements applicable to investment companies, the maintenance of a reasonable spread of investments and the 20% NAV investment threshold under Rule 21.04(3)(b).

The training also covered the correct methodology for calculating investment ratios, the use of NAV as the denominator, the importance of referring to the latest consolidated management accounts, the internal review and approval process, and the escalation of potential Listing Rule breaches.

The Company will continue to provide appropriate compliance training to relevant personnel and periodically review the effectiveness of its enhanced internal control procedures.

By Order of the Board
Prosperity Investment Holdings Limited
Lam Chee Sum Eddie
Company Secretary

Hong Kong, 12 November 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Tang Tsz Tung, one non-executive Director, namely Mr. Lau Tom Ko Yuen and three independent non-executive Directors, namely Mr. Lui Siu Tsuen, Richard, Ms. Katsaya Wiriyachart and Mr. Ip Kwok Kwong.

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

** For identification purposes only*