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**PROSPERITY INTERNATIONAL HOLDINGS (H.K.) LIMITED**  
**昌興國際控股(香港)有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 803)**

**KEY AMENDMENTS TO THE TERMS AND CONDITIONS AND  
THE SUBSCRIPTION AGREEMENTS OF  
(I) 8.25% COUPON SECURED CONVERTIBLE NOTES  
IN THE AGGREGATE PRINCIPAL AMOUNT  
OF US\$25,000,000 DUE 2015; AND  
(II) 8.25% COUPON SECURED CONVERTIBLE NOTES  
IN THE AGGREGATE PRINCIPAL AMOUNT  
OF US\$25,000,000 DUE 2017**

Reference is made to (i) the announcement of the Company dated 14 March 2014 in relation to the Subscription Agreements entered into by the Company as issuer and ICBC International Investment Management Limited as subscriber in respect of the Convertible Notes and (ii) the announcement of the Company dated 21 March 2014 in relation to the issue of the Convertible Notes.

On 19 September 2014, the Company entered into the Amendment Deeds with ICBC International Investment Management Limited (i.e. the Investor) to amend the Conditions and the Subscription Agreements. Pursuant to the terms of the Amendment Deeds, the Company shall prepay and partially redeem a total principal amount of US\$6,250,000 of each of the Convertible Notes on 19 September 2014 and a further total principal amount of US\$6,250,000 of each of the Convertible Notes on or before 31 December 2014. The Company shall also procure Million Sea to enter into a deed of share charge with the Investor, whereby Million Sea will charge, *inter alia*, its beneficial interest in 1,500 ordinary shares in the capital of Billion Win owned by Million Sea to secure the Company's payment obligations under each of the Convertible Notes.

\* For identification purpose only

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Board is pleased to announce that the Stock Exchange has granted the approval for the Amendments on 19 September 2014.

Reference is made to (i) the announcement of Prosperity International Holdings (H.K.) Limited (the “**Company**”) dated 14 March 2014 (the “**Announcement**”) in relation to the Subscription Agreements entered into by the Company as issuer and ICBC International Investment Management Limited as subscriber in respect of the Convertible Notes and (ii) the announcement of the Company dated 21 March 2014 in relation to the issue of the Convertible Notes. Unless otherwise specified, all capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

## **BACKGROUND**

On 21 March 2014, the Company issued the Convertible Notes in the aggregate principal amount of US\$50 million (equivalent to approximately HK\$390 million) to ICBC International Investment Management Limited (i.e. the Investor). As disclosed in the Announcement, the terms and conditions of the Convertible Notes (the “**Conditions**”) provide that the Company may prepay and redeem all or any part of the respective Convertible Notes at any time after 1 July 2015. As at the date of this announcement, the Investor is the only registered holder of the Convertible Notes and none of the Convertible Notes has been redeemed. The outstanding principal amount of the Convertible Notes is US\$50 million.

## **AMENDMENT DEEDS**

On 19 September 2014, the Company entered into two amendment deeds (the “**Amendment Deeds**”), which are in substantially the same form, with the Investor to amend the Conditions and the Subscription Agreements.

The principal terms of the Amendment Deeds are as follows:

### **Parties**

- (a) The Company; and
- (b) ICBC International Investment Management Limited

### **Amendments to the Conditions and the Subscription Agreements**

- (a) The Company shall prepay and partially redeem (i) a total principal amount of US\$6,250,000 of each of the Convertible Notes on 19 September 2014; and (ii) a further total principal amount of US\$6,250,000 of each of the Convertible Notes on or before 31 December 2014 (the “**Secondary Mandatory Early Partial Redemption**”), and may prepay and redeem (iii) all or any part of the Convertible Notes at any time after 1 July 2015. The Company shall designate the date on which the Secondary Mandatory Early Partial Redemption shall take place, falling which such date shall fall

on 31 December 2014 (each of (i) and (ii) and, in relation to such part(s) of the Convertible Notes which are being early redeemed under (iii), an “**Early Redeemed Portion**”); and

- (b) As agreed between the Company and the Investor, the Company shall procure Million Sea Group Limited (“**Million Sea**”) to enter into a deed of share charge with the Investor, whereby Million Sea will charge, *inter alia*, its beneficial interest in 1,500 ordinary shares in the capital of Billion Win owned by Million Sea to secure the Company’s payment obligations under each of the Convertible Notes.

(collectively, paragraphs (a) to (b) above, the “**Amendments**”)

### **Conditions**

The Amendments shall only come into effect after the Company having (i) obtained the relevant approval, as may be required, from the Stock Exchange in relation to the Amendments; and (ii) satisfied in full all conditions or requirements as may be requested by the Stock Exchange in approving the Amendments.

### **REASONS FOR THE AMENDMENTS**

The Company has recently obtained alternative banking facility from a third party financial institution for the general working capital. The Company has therefore proposed to early redeem (i) 25% of the outstanding principal amount of each of the Convertible Notes on 19 September 2014 and (ii) 25% of the outstanding principal amount of each of the Convertible Notes on or before 31 December 2014 (the “**Early Redemption**”). Given that the Conditions do not provide for the Early Redemption, the Company has thus negotiated with the Investor and entered into the Amendment Deeds.

The Amendments were arrived at after arm’s length negotiations between the Company and the Investor. The Board considers that the terms of the Amendment Deeds are fair and reasonable and the Amendments are in the interests of the Company and the Shareholders as a whole.

### **IMPLICATIONS UNDER LISTING RULES**

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

Given that the Amendments do not take effect automatically under the existing terms of the respective Convertible Notes, the Company has applied to the Stock Exchange for the approval of the Amendments in accordance with Rule 28.05 of Listing Rules. The Board is pleased to announce that the Stock Exchange has granted the approval for the Amendments on 19 September 2014.

By order of the Board  
**Prosperity International Holdings (H.K.) Limited**  
**Wong Ben Koon**  
*Chairman*

Hong Kong, 19 September 2014

*As at the date of this announcement, the executive Directors are Mr. Wong Ben Koon (Chairman), Mr. Zhu Kai (Deputy Chairman), Dr. Mao Shuzhong (Chief Executive Officer), Mr. Wu Likang, Ms. Gloria Wong and Mr. Kong Siu Keung. The non-executive Director is Mr. Liu Yongshun and the independent non-executive Directors are Mr. Yuen Kim Hung, Michael, Mr. Yung Ho, Mr. Chan Kai Nang and Mr. Ma Jianwu.*