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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)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF FURTHER FINANCIAL ASSISTANCE TO GUANGDONG SENDAO GROUP LIMITED*

PROVISION OF FURTHER FINANCIAL ASSISTANCE

Reference is made to the Announcements and the Circular in relation to the provision of the First Tranche Security and the Second Tranche Security by Fuchun Dongfang, a 55%-owned subsidiary of the Company, for the benefit of the Guangdong Sendao Group as security for the First Tranche Loan Facility and the Second Tranche Loan Facility taken out by Guangdong Sendao Group.

On 31 October 2014 and 24 April 2015 respectively, Fuchun Dongfang as security provider entered into the Third Tranche Security Documents with, among others, GZB as lender, pursuant to which Fuchun Dongfang agreed to provide the Third Tranche Security for the benefit of Guangdong Sendao as security for the Third Tranche Loan Facility taken out by Guangdong Sendao and Sendao Materials.

The Third Tranche Loan Facility consists of the Working Capital Loan Facility and the Fixed Asset Loan Facility. The Working Capital Loan Facility is a one-year credit facility granted by GZB to Sendao Materials in the principal amount up to RMB15,500,000 (equivalent to approximately HK\$19,685,000). The Fixed Asset Loan Facility is a five-year credit facility granted by GZB to Guangdong Sendao in the principal amount up to RMB260,000,000 (equivalent to approximately HK\$330,200,000).

The Third Tranche Security granted by Fuchun Dongfang comprises the Fifth Property Mortgage and the Sixth Property Mortgage. The maximum aggregate amount of the Third Tranche Secured Indebtedness secured by the Third Tranche Security is RMB523,508,400 (equivalent to approximately HK\$664,856,000).

* for identification purpose only

IMPLICATIONS UNDER THE LISTING RULES

Guangdong Sendao holds 45% of the equity interests of Fuchun Dongfang and thus is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. Accordingly, the provision of the Third Tranche Security by Fuchun Dongfang for the benefit of Guangdong Sendao constitutes financial assistance by the Group to a connected person and hence a connected transaction for the Company under Rule 14A.24(4) of the Listing Rules.

The Board has approved the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents. In addition, the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Third Tranche Security Documents are fair and reasonable, the provision of the Third Tranche Security is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the provision of the Third Tranche Security is therefore subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratios in respect of the provision of the Third Tranche Security is more than 25% and all of the applicable percentage ratios are less than 100%, the provision of the Third Tranche Security constitutes a major transaction for the Company. Pursuant to Rule 14.22 of the Listing Rules, the provision of the Third Tranche Security would have to be aggregated with the provision of the First Tranche Security and the Second Tranche Security as all of them were given in favour of the Guangdong Sendao Group. Nonetheless, although one or more of the applicable percentage ratios in respect of the provision of the Security (i.e. the First Tranche Security, the Second Tranche Security and the Third Tranche Security) is more than 25%, all of the applicable percentage ratios are less than 100% and therefore the provision of the Security remains to be a major transaction for the Company under Chapter 14 of the Listing Rules.

Given that none of the Shareholders has a material interest in the provision of the Third Tranche Security, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents. Pursuant to Rule 14.44 of the Listing Rules, on 24 April 2015, the Company has obtained a written approval from the Closely Allied Group who together are interested in 5,092,621,735 Shares (representing approximately 59.27% of the issued share capital of the Company as at the date of this announcement), to approve the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents.

A circular containing further information on the Third Tranche Security will be despatched to the Shareholders as soon as possible, which is expected to be on or before 18 May 2015.

INTRODUCTION

Reference is made to the Announcements and the Circular in relation to the provision of the First Tranche Security and the Second Tranche Security by Fuchun Dongfang, a 55%-owned subsidiary of the Company, for the benefit of the Guangdong Sendao Group as security for the First Tranche Loan Facility and the Second Tranche Loan Facility taken out by Guangdong Sendao Group.

On 31 October 2014 and 24 April 2015 respectively, Fuchun Dongfang as security provider entered into the Third Tranche Security Documents with, among others, GZB as lender, pursuant to which Fuchun Dongfang agreed to provide the Third Tranche Security for the benefit of Guangdong Sendao as security for the Third Tranche Loan Facility taken out by Guangdong Sendao and Sendao Materials.

The Third Tranche Loan Facility consists of the Working Capital Loan Facility and the Fixed Asset Loan Facility. The Working Capital Loan Facility is a one-year credit facility granted by GZB to Sendao Materials in the principal amount up to RMB15,500,000 (equivalent to approximately HK\$19,685,000). The Fixed Asset Loan Facility is a five-year credit facility granted by GZB to Guangdong Sendao in the principal amount up to RMB260,000,000 (equivalent to approximately HK\$330,200,000).

The Third Tranche Security granted by Fuchun Dongfang comprises the Fifth Property Mortgage and the Sixth Property Mortgage. The maximum aggregate amount of the Third Tranche Secured Indebtedness secured by the Third Tranche Security is RMB523,508,400 (equivalent to approximately HK\$664,856,000).

THE THIRD TRANCHE SECURITY DOCUMENTS

The Third Tranche Security Documents comprise (a) the Fifth Property Mortgage Agreement; and (b) the Sixth Property Mortgage Agreement.

(a) The Fifth Property Mortgage Agreement

Date

27 October 2014

Parties

- (i) Fuchun Dongfang as mortgagor
- (ii) GZB as mortgagee

Assets under mortgage

All the rights and benefits (including the land uses right and ownership of buildings) of the Fifth Mortgaged Property. The Fifth Mortgaged Property consists of the residential unit located at Unit 3501 of Block B2, Oriental Landmark, No. 76 Wen De Road North, Yuexiu District, Guangzhou City, the PRC with a total floor area of 586.95 sq.m.

Secured Indebtedness

The Fifth Secured Indebtedness, up to a maximum amount of RMB25,896,200 (equivalent to approximately HK\$32,888,000).

(b) The Sixth Property Mortgage Agreement

Date

24 April 2015

Parties

- (i) Fuchun Dongfang as mortgagor
- (ii) GZB as mortgagee

Assets under mortgage

All the rights and benefits (including the land uses right and ownership of buildings) of the Sixth Mortgaged Property. The Sixth Mortgaged Property consists of 38 retail outlets and 219 car parking spaces of Oriental Landmark, located at No. 68 Wen De Road North and 4 office premises of Block A, Oriental Landmark located at No. 71 Wen Ming Road, Yuexiu District, Guangzhou City, the PRC with a total floor area of 9,530.54 sq.m.

Secured Indebtedness

The Sixth Secured Indebtedness, up to a maximum amount of RMB497,612,200 (equivalent to approximately HK\$631,967,000).

THE THIRD TRANCHE LOAN FACILITY AGREEMENTS

The Third Tranche Loan Facility Agreements comprise (a) the Working Capital Facility Agreement; and (b) the Fixed Asset Facility Agreement.

(a) The Working Capital Facility Agreement

Date

31 October 2014

Parties

- (i) GZB, as lender
- (ii) Sendao Materials, as borrower
- (iii) Fuchun Dongfang, as security provider
- (iv) Mr. Guo Jianye, as personal guarantor

Facility type

A one-year credit facility granted by GZB to Sendao Materials in the principal amount up to RMB15,500,000 (equivalent to approximately HK\$19,685,000).

Repayment

Sendao Materials should repay any or all amounts borrowed under the Working Capital Loan Facility before or at the end of the one-year term. Interest should be paid on the twentieth day of every month.

Security

- (i) the Fifth Property Mortgage
- (ii) personal guarantee from Mr. Guo Jianye

(b) The Fixed Asset Facility Agreement

Date

24 April 2015

Parties

- (i) GZB, as lender
- (ii) Guangdong Sendao, as borrower
- (iii) Fuchun Dongfang, as security provider
- (iv) Mr. Guo Jianji, as personal guarantor

Facility type

A five-year credit facility granted by GZB to Guangdong Sendao in the principal amount up to RMB260,000,000 (equivalent to approximately HK\$330,200,000).

Repayment

Repayment of the principal should be made on the first day of January and July of every year on and after 1 July 2016, being (i) an amount of RMB25,000,000 (equivalent to approximately HK\$31,750,000) on 1 July 2016; (ii) an amount of RMB25,000,000 (equivalent to approximately HK\$31,750,000) semi-annually in 2017; (iii) an amount of RMB30,000,000 (equivalent to approximately HK\$38,100,000) semi-annually in 2018 and 2019; and (iv) an amount of RMB65,000,000 (equivalent to approximately HK\$82,550,000) on 23 April 2020. Interest should be paid on the twentieth day of every month.

Security

- (i) the Sixth Property Mortgage
- (ii) personal guarantee from Mr. Guo Jianji

REASONS FOR AND BENEFITS OF THE PROVISION OF THE THIRD TRANCHE SECURITY

On 10 July 2014 and 15 October 2014 respectively, Fuchun Dongfang passed the Shareholders' Resolutions whereby it was agreed that:

- (a) for the purposes of enabling Guangzhou Bliss Hero and Guangdong Sendao to arrange for their own secured financing, the office premises, retail outlets, residential units and car parking spaces in Oriental Landmark (together, the "**Allocated Property**") shall be notionally divided up and allocated among Guangzhou Bliss Hero and Guangdong Sendao in accordance with their respective percentage equity interests in Fuchun Dongfang and based on the valuation report prepared by an independent valuer. Notwithstanding the allocation exercise, Fuchun Dongfang shall remain as the registered owner of the Allocated Property;
- (b) Guangzhou Bliss Hero and Guangdong Sendao are entitled to mortgage, through Fuchun Dongfang, all or part of their respective Allocated Property (the "**Mortgaged Property**") as security for their own financing purposes; and
- (c) in the event that the borrower shareholder (the "**Borrowing Party**") anticipates that it is unable to meet its repayment obligations and that the mortgagee may exercise its rights with respect to the Mortgaged Property, the Borrowing Party shall notify the other shareholder (the "**Non-borrowing Party**") of the same and arrange for an independent valuer to conduct a valuation on the Allocated Property and the Mortgaged Property. The Non-borrowing Party shall have the right to either (i) repay the debts for and on behalf of the Borrowing Party and thereafter require the Borrowing Party to transfer to it such percentage amount of equity interests in Fuchun Dongfang as is equal to the proportion of the market value of the Mortgaged Property to the Allocated Property at nil consideration; or (ii) in the case that the Non-borrowing Party decides not to repay the debts for and on behalf of the Borrowing Party and the Mortgaged Property is sold as a result, require the Borrowing Party to transfer to it such percentage amount of equity interests in Fuchun Dongfang as is equal to the proportion of the market value of the Mortgaged Property at nil consideration.

The arrangements under the Shareholders' Resolutions will provide the shareholders of Fuchun Dongfang with a flexible means to obtain finance through the mortgage of their respective underlying Allocated Property, without requiring Fuchun Dongfang to carry out a distribution in specie, which would otherwise be timely and give rise to taxation. In the meantime, the arrangements under the Shareholders' Resolutions will afford sufficient protection to the Group such that the Group is entitled to acquire additional equity interests in Fuchun Dongfang in the event that Guangdong Sendao Group is in default of its repayment obligations.

The provision of the Third Tranche Security was made at the request of Guangdong Sendao to give effect to the arrangements under the Shareholders' Resolutions, where Guangdong Sendao is entitled to mortgage, through Fuchun Dongfang, the Fifth Mortgaged Property and the Sixth Mortgaged Property notionally allocated to it for its own financing purposes.

The Directors (including all the independent non-executive Directors) consider that the provision of the Third Tranche Security are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT FUCHUN DONGFANG, THE GROUP, GUANGDONG SENDAO, SENDAO MATERIALS AND GZB

Fuchun Dongfang is an equity joint venture established in the PRC and owned as to 55% by Guangzhou Bliss Hero and as to 45% by Guangdong Sendao. It is principally engaged in property development, sales and leasing in the PRC and owns the commercial and residential development project known as Oriental Landmark in Guangzhou, the PRC.

The Group is principally engaged in (i) the trading of cement and clinker; (ii) investment in granite material production; (iii) mining and trading of iron ore; and (iv) investment in real estate in the PRC.

Guangdong Sendao is a company established in the PRC with limited liability. The Guangdong Sendao Group is principally engaged in (i) investment in real estate in the PRC; (ii) property leasing; (iii) organising art and cultural events; and (iv) providing credit services.

Sendao Materials is a company established in the PRC with limited liability. It is principally engaged in the wholesale of building materials and decoration materials.

GZB is a licensed commercial bank in the PRC and provide a variety of financial products and services to corporate and personal banking customers. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, GZB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER LISTING RULES

Guangdong Sendao holds 45% of the equity interests of Fuchun Dongfang and thus is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. Accordingly, the provision of the Third Tranche Security by Fuchun Dongfang for the benefit of Guangdong Sendao constitutes financial assistance by the Group to a connected person and hence a connected transaction for the Company under Rule 14A.24(4) of the Listing Rules.

The Board has approved the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents. In addition, the Directors (including all the independent non-executive Directors) have confirmed that the terms of the Third Tranche Security Documents are fair and reasonable, the provision of the Third Tranche Security is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the provision of the Third Tranche Security is therefore subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratios in respect of the provision of the Third Tranche Security is more than 25% and all of the applicable percentage ratios are less than 100%, the provision of the Third Tranche Security constitutes a major transaction for the Company. Pursuant to Rule 14.22 of the Listing Rules, the provision of the Third Tranche Security would have to be aggregated with the provision of the First Tranche Security and the Second Tranche Security as all of them were given in favour of the Guangdong Sendao Group. Nonetheless, although one or more of the applicable percentage ratios in respect of the provision of the Security (i.e. the First Tranche Security, the Second Tranche Security and the Third Tranche Security) is more than 25%, all of the applicable percentage ratios are less than 100% and therefore the provision of the Security remains to be a major transaction for the Company under Chapter 14 of the Listing Rules.

Given that none of the Shareholders has a material interest in the provision of the Third Tranche Security, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents. Pursuant to Rule 14.44 of the Listing Rules, on 24 April 2015, the Company has obtained a written approval from the Closely Allied Group who together are interested in 5,092,621,735 Shares (representing approximately 59.27% of the issued share capital of the Company as at the date of this announcement), to approve the provision of the Third Tranche Security and the transactions contemplated under the Third Tranche Security Documents.

DESPATCH OF CIRCULAR

A circular containing further information on the Third Tranche Security will be despatched to the Shareholders as soon as possible, which is expected to be on or before 18 May 2015.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Announcements”	the announcements of the Company dated 10 July 2014 and 30 July 2014 in relation to the provision of the First Tranche Security and the Second Tranche Security, respectively
“Board”	the board of Directors
“Circular”	the circular of the Company dated 17 September 2014 in relation to, among other things, the provision of the First Tranche Security and the Second Tranche Security

“Closely Allied Group”	a closely allied group of Shareholders comprising Mr. Wong and his associates (as defined in Rule 14A.06(2) of the Listing Rules) who together were interested in 5,092,621,735 Shares (representing approximately 59.27% of the issued share capital of the Company) as at the date of this announcement
“Company”	Prosperity International Holdings (H.K.) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as defined in Rule 14A.06(7) of the Listing Rules
“DGB”	東莞銀行股份有限公司廣州分行 (Bank of Dongguan Corporation Limited, Guangzhou Branch*)
“Directors”	the directors of the Company
“Fifth Mortgaged Property”	the residential unit located at Unit 3501 of Block B2, Oriental Landmark, No. 76 Wen De Road North, Yuexiu District, Guangzhou City, the PRC with a total floor area of 586.95 sq.m.
“Fifth Property Mortgage”	the property mortgage granted by Fuchun Dongfang over the Fifth Mortgaged Property in favour of GZB as security for the Fifth Secured Indebtedness on the terms of the Fifth Property Mortgage Agreement
“Fifth Property Mortgage Agreement”	the property mortgage agreement dated 27 October 2014 entered into by Fuchun Dongfang and GZB in relation to the Fifth Property Mortgage
“Fifth Secured Indebtedness”	all amounts due from Sendao Materials under the Working Capital Facility Agreement, including the principal amount utilized under the Working Capital Loan Facility and the interest accrued thereon, the default interest, penalty and damages and all the expenses incurred by GZB in enforcing its rights under the Working Capital Facility Agreement and the Fifth Property Mortgage Agreement, up to a maximum amount of RMB25,896,200 (equivalent to approximately HK\$32,888,000) and secured by the Fifth Property Mortgage
“First Tranche Security”	the security provided by Fuchun Dongfang under various security documents on 10 July 2014 in favour of HSB and DGB for the benefit of the Guangdong Sendao Group

“Fixed Asset Facility Agreement”	the facility agreement dated 24 April 2015 entered into by Fuchun Dongfang (as security provider), GZB (as lender), Guangdong Sendao (as borrower) and Mr. Guo Jianji (as personal guarantor) in relation to the provision of the Fixed Asset Loan Facility to Guangdong Sendao
“Fixed Asset Loan Facility”	a five-year credit facility granted by GZB to Guangdong Sendao in the principal amount up to RMB260,000,000 (equivalent to approximately HK\$330,200,000) on the terms of the Fixed Asset Facility Agreement
“Fourth Mortgaged Property”	Rooms 2407, 2501, 2502, 2503 and 2605 of Block A, Oriental Landmark, No. 71 Wen Ming Road, Yuexiu District, Guangzhou City, the PRC with a total floor area of 1,009.07 sq.m.
“Fourth Property Mortgage”	the property mortgage granted by Fuchun Dongfang over the Fourth Mortgaged Property in favour of GZB as security for the Fourth Secured Indebtedness on the terms of the Fourth Property Mortgage Agreement
“Fourth Property Mortgage Agreement”	the property mortgage agreement dated 30 July 2014 entered into by Fuchun Dongfang and GZB in relation to the Fourth Property Mortgage
“Fourth Secured Indebtedness”	all amounts due from Fuchun Investment under the Fuchun Investment Facility Agreement, including the principal amount utilized under the Fuchun Investment Loan Facility and the interest accrued thereon, the default interest, penalty and damages and all the expenses incurred by GZB in enforcing its rights under the Fuchun Investment Facility Agreement and the Fourth Property Mortgage Agreement, up to a maximum amount of RMB33,340,000 (equivalent to approximately HK\$42,342,000) and secured by the Fourth Property Mortgage
“Fuchun Dongfang”	廣州富春東方地產投資有限公司 (Guangzhou Fuchun Dongfang Real Estate Investment Company Limited*), a company established in the PRC with limited liability and owned by Guangzhou Bliss Hero and Guangdong Sendao as to 55% and 45%, respectively
“Fuchun Investment”	廣東富春投資有限公司 (Guangdong Fuchun Investment Company Limited*), a company established in the PRC with limited liability and a subsidiary of Guangdong Sendao

“Fuchun Investment Facility Agreement”	the facility agreement dated 30 July 2014 entered into by Fuchun Dongfang (as security provider), GZB (as lender), Fuchun Investment (as borrower) and Mr. Guo Jianji (as personal guarantor) in relation to, among other things, the provision of the Fuchun Investment Loan Facility to Fuchun Investment and the provision of security by Fuchun Dongfang
“Fuchun Investment Loan Facility”	a credit facility granted by GZB to Fuchun Investment in the principal amount up to RMB20,000,000 (equivalent to approximately HK\$25,400,000) on the terms of the Fuchun Investment Facility Agreement
“Group”	the Company and its subsidiaries
“Guangdong Sendao”	廣東森島集團有限公司 (Guangdong Sendao Group Limited*), a company established in the PRC with limited liability and the holder of 45% of the equity interests of Fuchun Dongfang
“Guangdong Sendao Group”	Guangdong Sendao and its subsidiaries
“Guangzhou Bliss Hero”	廣州義德房地產開發有限公司 (Guangzhou Bliss Hero Real Estate Development Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GZB”	廣州銀行股份有限公司 (Bank of Guangzhou Co., Ltd*)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSB”	恒生銀行(中國)有限公司廣州分行 (Heng Seng Bank (China) Limited, Guangzhou Branch*)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Guo Jianji”	Mr. Guo Jianji, a director and the legal representative of Fuchun Dongfang and Guangdong Sendao
“Mr. Guo Jianye”	Mr. Guo Jianye, a director and a legal representative of Sendao Materials
“Mr. Wong”	Mr. Wong Ben Koon, the Chairman of the Board and an executive Director, and the Chairman and Chief Executive Officer of Prosperity Minerals Holdings Limited, a wholly-owned subsidiary of the Company

“percentage ratios”	has the same meaning as defined in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Tranche Loan Facility”	collectively, the Sendao Menchuang Loan Facility and the Fuchun Investment Loan Facility
“Second Tranche Loan Facility Agreements”	collectively, the Sendao Menchuang Facility Agreement and the Fuchun Investment Facility Agreement
“Second Tranche Secured Indebtedness”	collectively, the Third Secured Indebtedness and the Fourth Secured Indebtedness
“Second Tranche Security”	the security provided by Fuchun Dongfang under the Second Tranche Security Documents in favour of GZB for the benefit of the Guangdong Sendao Group, comprising the Third Property Mortgage and the Fourth Property Mortgage
“Second Tranche Security Documents”	collectively, the Third Property Mortgage Agreement and the Fourth Property Mortgage Agreement
“Security”	collectively, the First Tranche Security, the Second Tranche Security and the Third Tranche Security
“Sendao Materials”	廣州市森島裝飾材料有限公司 (Guangzhou City Decoration Materials Company Limited*), a company established in the PRC with limited liability
“Sendao Menchuang”	廣州市森島新型門窗有限公司 (Guangzhou City Xinxing Menchuang Company Limited*), a company established in the PRC with limited liability and a subsidiary of Guangdong Sendao
“Sendao Menchuang Facility Agreement”	the facility agreement dated 30 July 2014 entered into by Fuchun Dongfang (as security provider), GZB (as lender), Sendao Menchuang (as borrower) and Mr. Guo Jianji (as personal guarantor) in relation to the provision of the Sendao Menchuang Loan Facility to Sendao Menchuang
“Sendao Menchuang Loan Facility”	a one-year revolving credit facility granted by GZB to Sendao Menchuang in the principal amount up to RMB20,000,000 (equivalent to approximately HK\$25,400,000) on the terms of the Sendao Menchuang Facility Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the shareholder(s) of the Company
“Shareholders’ Resolutions”	collectively, the two resolutions of all the shareholders of Fuchun Dongfang passed on 10 July 2014 and 15 October 2014 respectively approving, among other things, certain arrangements with regard to the residential units, office premises, retail outlets and car parking spaces in Oriental Landmark
“Sixth Mortgaged Property”	38 retail outlets and 219 car parking spaces of Oriental Landmark, located at No. 68 Wen De Road North and 4 office premises of Block A, Oriental Landmark located at No. 71 Wen Ming Road, Yuexiu District, Guangzhou City, the PRC with a total floor area of 9,530.54 sq.m.
“Sixth Property Mortgage”	the property mortgage granted by Fuchun Dongfang over the Sixth Mortgaged Property in favour of GZB as security for the Sixth Secured Indebtedness on the terms of the Sixth Property Mortgage Agreement
“Sixth Property Mortgage Agreement”	the property mortgage agreement dated 24 April 2015 entered into by Fuchun Dongfang and GZB in relation to the Sixth Property Mortgage
“Sixth Secured Indebtedness”	all amounts due from Guangdong Sendao under the Fixed Asset Facility Agreement, including the principal amount utilized under the Fixed Asset Loan Facility and the interest accrued thereon, the default interest, penalty and damages and all the expenses incurred by GZB in enforcing its rights under the Fixed Asset Facility Agreement and the Sixth Property Mortgage Agreement, up to a maximum amount of RMB497,612,200 (equivalent to approximately HK\$631,967,000) and secured by the Sixth Property Mortgage
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Mortgaged Property”	Rooms 2504, 2505, 2506, 2507, 2601 and 2602 of Block A, Oriental Landmark, No. 71 Wen Ming Road, Yuexiu District, Guangzhou City, the PRC with a total floor area of 1,001.12 sq.m.
“Third Property Mortgage”	the property mortgage granted by Fuchun Dongfang over the Third Mortgaged Property in favour of GZB as security for the Third Secured Indebtedness on the terms of the Third Property Mortgage Agreement

“Third Property Mortgage Agreement”	the property mortgage agreement dated 30 July 2014 entered into by Fuchun Dongfang and GZB in relation to the Third Property Mortgage
“Third Secured Indebtedness”	all amounts due from Sendao Menchuang under the Sendao Menchuang Facility Agreement, including the principal amount utilized under the Sendao Menchuang Loan Facility and the interest accrued thereon, the default interest, penalty and damages and all the expenses incurred by GZB in enforcing its rights under the Sendao Menchuang Facility Agreement and the Third Property Mortgage Agreement, up to a maximum amount of RMB33,338,500 (equivalent to approximately HK\$42,340,000) and secured by the Third Property Mortgage
“Third Tranche Loan Facility”	collectively, the Working Capital Loan Facility and the Fixed Asset Loan Facility
“Third Tranche Loan Facility Agreements”	collectively, the Working Capital Facility Agreement and the Fixed Asset Facility Agreement
“Third Tranche Secured Indebtedness”	collectively, the Fifth Secured Indebtedness and the Sixth Secured Indebtedness
“Third Tranche Security”	the security provided by Fuchun Dongfang under the Third Tranche Security Documents in favour of GZB for the benefit of Guangdong Sendao, comprising the Fifth Property Mortgage and the Sixth Property Mortgage
“Third Tranche Security Documents”	collectively, the Fifth Property Mortgage Agreement and the Sixth Property Mortgage Agreement
“Working Capital Facility Agreement”	the facility agreement dated 31 October 2014 entered into by Fuchun Dongfang (as security provider), GZB (as lender), Sendao Materials (as borrower) and Mr. Guo Jianye (as personal guarantor) in relation to the provision of the Working Capital Loan Facility to Sendao Materials
“Working Capital Loan Facility”	a one-year credit facility granted by GZB to Sendao Materials in the principal amount up to RMB15,500,000 (equivalent to approximately HK\$19,685,000) on the terms of the Working Capital Facility Agreement
“%”	per cent

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

Hong Kong, 24 April 2015

As at the date of this announcement, the executive Directors are Mr. Wong Ben Koon (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.

For the purposes of this announcement, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1 to HK\$1.27 for the purposes of illustration only. No representation is made that any amount of HK\$ or RMB could have been or could be converted at the above rate or at any other rates.

** For identification purpose only*