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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)

ANNOUNCEMENT OF POSTPONEMENT OF BOARD MEETING AND PUBLICATION OF ANNUAL RESULT ANNOUNCEMENT

The Board announces that the meeting of the Board to approve the Group’s audited annual results of the Group for the financial year ended 31 March, 2003 will be postponed until further notice, but in any event no later than 31 July, 2003. It is expected that the Group’s unaudited annual result will be announced and published on the GEM website on 30 June 2003.

The foregoing constitutes a breach of the requirement set out in rule 18.03 and 18.49 of the GEM listing rules. In this regard, the Stock Exchange has indicated that it reserves the right to take appropriate action against the Company.

Further to the announcement of Prosperity International Holdings (H.K.) Limited (the “Company” and together with its subsidiaries, the “Group”) dated 13 May 2003 (the “Previous Announcement”), the board of directors of the Company (the “Board”) wishes to further announce that due to recent SARS outbreak in Hong Kong and the PRC, the operations of the Group and its debtors would have a negative impact on their operations, additional time is required to obtain the relevant documents and financial information to complete the audited accounts for the Group, including, inter alia, the subsequent utilisation of inventories and the subsequent settlements of accounts and other receivables. Therefore, the meeting of the Board to approve the audited annual results of the Group for the financial year ended 31 March, 2003 will be postponed until further notice, but in any event no later than 31 July, 2003. As a result, the publication of the audited annual results and despatch of the Group’s annual reports will be postponed accordingly. It is expected that the Group’s unaudited annual result will be announced and published on the GEM website on 30 June 2003.

The aforesaid documents and financial information take longer time to obtain than the Directors anticipated as at the date of the Previous Announcement, hence, postponement of publication of audited annual results of the Group is required.

The auditors of the Group are fully aware that the delay in the publication of the Group's audited annual results and reports was due to the additional time is required to obtain the relevant documents and financial information to complete the audited accounts of the Group, including, inter alia, the subsequent utilisation of inventories and the subsequent settlements of accounts and other receivables.

The foregoing constitutes a breach of the requirement set out in rule 18.03 and 18.49 of the GEM listing rules. In this regard, the Stock Exchange has indicated that it reserves the right to take appropriate action against the Company.

The delay will not result in any breach of the provisions of the Articles of Association of the Company and the Companies Ordinance of Hong Kong.

The directors of the Company confirm that, in compliance with Rule 5.51 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange ("the GEM Listing Rules"), they have not dealt in any securities of the Company since 16 May 2003 and further confirm that they will not deal in the securities of the Company until the Group's audited annual results are announced.

Shareholders and investors should exercise caution when dealing in the Company's securities.

By order of the Board

Wong Ben Koon

Chairman

Hong Kong, 17 June, 2003

This announcement, for which the directors of Prosperity International Holdings (H.K.) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Prosperity International Holdings (H.K.) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

* *for identification purposes only*