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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)

DISCLOSEABLE TRANSACTION REGARDING THE SUBSCRIPTION OF NEW SHARES

The Board is pleased to announce that after the close of trading hours on 9 April 2015, Rui Sheng, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Hao Tian and Hao Tian Development, pursuant to which Rui Sheng has agreed to subscribe for and Hao Tian has agreed to allot and issue the Subscription Shares, being 100,000,000 new shares and representing 10% of the total issued share capital of Hao Tian as enlarged by the Subscription Shares for an aggregate consideration of HK\$100,000,000.

As the applicable percentage ratios in respect of the Proposed Subscription exceed 5% but are less than 25%, the Proposed Subscription constitutes a discloseable transaction for the Company under the HK Listing Rules and the details of the Proposed Subscription are required to be disclosed by way of this announcement.

As the Proposed Subscription is subject to the fulfilment of the conditions precedent set out in this announcement, the Proposed Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

* For identification purpose only

INTRODUCTION

The Board is pleased to announce that after the close of trading hours on 9 April 2015, Rui Sheng, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Hao Tian and Hao Tian Development, pursuant to which Rui Sheng has agreed to subscribe for and Hao Tian has agreed to allot and issue the Subscription Shares, being 100,000,000 new shares and representing 10% of the total issued share capital of Hao Tian as enlarged by the Subscription Shares for an aggregate consideration of HK\$100,000,000.

The principal terms of the Subscription Agreement are set out below.

Date

9 April 2015

Parties

- (1) Rui Sheng
- (2) Hao Tian; and
- (3) Hao Tian Development

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hao Tian and Hao Tian Development and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subscription Shares

Pursuant to the terms of the Subscription Agreement, Rui Sheng shall subscribe for 100,000,000 new shares in Hao Tian, representing approximately 11.11% of the total issued share capital of Hao Tian as at the date of this announcement and 10% of the total issued share capital of Hao Tian as enlarged by the Subscription Shares. The Subscription Shares are not subject to any transfer restrictions.

Consideration and Completion

The total consideration of HK\$100,000,000 shall be payable by Rui Sheng in cash on Completion. The subscription price of HK\$1 per Subscription Share was determined after arm's length negotiation between the Parties with reference to the net assets value of Hao Tian immediately upon Completion.

The payment for the Consideration will be funded by internal resources of the Group.

Conditions to Completion

Completion shall take place upon 3 business days after the fulfillment (or waiver, if applicable) of the following conditions (or such other date as agreed by the Parties in writing):

- (i) all approvals regarding the entering into of the Subscription Agreement and the transactions contemplated thereunder required under the applicable laws and regulations (including but not limited to the HK Listing Rules) having been obtained by Hao Tian and Hao Tian Development;
- (ii) the approval or consent from the relevant creditor of Hao Tian regarding the issue of the Subscription Shares having been obtained by Hao Tian and Hao Tian Development; and
- (iii) all approvals regarding the entering into of the Subscription Agreement and the transactions contemplated thereunder required under the applicable laws and regulations (including but not limited to the HK Listing Rules) having been obtained by Rui Sheng and its parent company.

In the event that the above conditions are not fulfilled by 15 May 2015 (or such later date as may be agreed between the Parties) or waived by Rui Sheng (in respect of conditions (i) and (ii)) or by Hao Tian (in respect of condition (iii)), the Subscription Agreement shall lapse and become null and void, save for any liability arising out of any antecedent breaches thereof.

Grant of Put Option

Pursuant to the terms of the Subscription Agreement, Hao Tian and Hao Tian Development have confirmed that they will use their best endeavours to procure the Relevant Event (i.e. the listing of the shares of Hao Tian on the Main Board or the Growth Enterprise Market of the Stock Exchange) to take place within three years from the date of Completion. In this connection, Hao Tian Development has granted the Put Option to Rui Sheng to require Hao Tian Development to purchase all or part of the Subscription Shares at HK\$1.15 per Subscription Share from Rui Sheng if the Relevant Event does not occur within three years from the date of Completion. Rui Sheng may at its discretion exercise the Put Option within three months after the expiry of three years from the date of Completion (the “Exercise Period”).

The Put Option may be exercised in one or more than one time within the Exercise Period by Rui Sheng by delivering to Hao Tian Development a written notice of exercise. Any delivery of the notice of exercise by Rui Sheng shall be irrevocable and may not be withdrawn, and shall bind Hao Tian Development to purchase all or part of the Subscription Shares and such share transfer(s) shall be completed no later than 7 business days after the delivery of the notice of exercise by Rui Sheng.

Rui Sheng shall cooperate in good faith to procure the passing of the shareholders’ resolutions in relation to the listing of the shares of Hao Tian on either the Main Board or the Growth Enterprise Market of the Stock Exchange.

INFORMATION ON THE PARTIES

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

Rui Sheng is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Hao Tian is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Hao Tian Development whose shares are listed on the Main Board on the Stock Exchange. Hao Tian is a money lender licenced in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The current principal businesses of the Hao Tian Group are provision of loan financial services, securities investment and trading of commodities. It is one of the corporate strategies of the Hao Tian Group to focus on the development of natural gas business and to expand its business gradually to various sectors of clean resources along with expansion of business coverage to other industries.

FINANCIAL INFORMATION OF HAO TIAN

According to the audited financial statements of Hao Tian for the period from 8 December 2011 to 31 March 2013 and the year ended 31 March 2014, which were prepared in accordance with the accounting principle generally accepted in Hong Kong, the net profit or loss before and after taxation of Hao Tian for the period from 8 December 2011 to 31 March 2013 and the year ended 31 March 2014 are set out below:

	For the period from 8 December 2011 to 31 March 2013	For the year ended 31 March 2014
	<i>HK\$</i>	<i>HK\$</i>
(Loss)/Profit before tax for the period/year	(118,000)	18,568,000
(Loss)/Profit after tax for the period/year	(118,000)	15,524,000

Based on the unaudited financial statements of Hao Tian for the year ended 31 March 2015, which were prepared in accordance with the accounting principles generally accepted in Hong Kong, the unaudited net assets of Hao Tian as at 31 March 2015 is HK\$903,000,000.

REASON FOR THE PROPOSED SUBSCRIPTION

The Company considers that the Proposed Subscription will provide the Group with potential investment and acquisition opportunities in industries and enterprises with growth potential, which allows the Group to diversify its business risks.

The Directors believe that the Proposed Subscription will not have any adverse financial impact on the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Proposed Subscription as contemplated under the Subscription Agreement are on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE HK LISTING RULES

As the applicable percentage ratios in respect of the Proposed Subscription exceed 5% but are less than 25%, the Proposed Subscription constitutes a discloseable transaction for the Company under the HK Listing Rules and the details of the Proposed Subscription are required to be disclosed by way of this announcement.

GENERAL

As the Proposed Subscription is subject to the fulfillment of the conditions precedent set out above, the Proposed Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“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 (Stock code: 803)
“Completion”	completion of the Subscription Agreement
“connected persons”	has the meaning ascribed to it under the HK Listing Rules
“Consideration”	the consideration for the Proposed Subscription, being a total of HK\$100,000,000
“Directors”	the directors of the Company, and a “Director” means any one of them
“Group”	the Company and its subsidiaries

“Hao Tian”	Hao Tian Finance Company Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Hao Tian Development
“Hao Tian Development”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 474)
“Hao Tian Group”	Hao Tian Development and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Parties”	collectively, Rui Sheng, Hao Tian and Hao Tian Development and “Party” shall mean any one of them
“percentage ratios”	the percentage ratios under Rule 14.07 of the HK Listing Rules
“Proposed Subscription”	the subscription by Rui Sheng of the Subscription Shares contemplated under the Subscription Agreement
“Put Option”	the option granted by Hao Tian Development to Rui Sheng to require Hao Tian Development to purchase all or part of the Subscription Shares at the consideration of HK\$1.15 per Subscription Share pursuant to the terms of the Subscription Agreement
“Relevant Event”	the listing of the shares of Hao Tian on the Main Board or the Growth Enterprise Market of the Stock Exchange
“Rui Sheng”	Rui Sheng Global Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”	the subscription agreement dated 9 April 2015 entered into between Rui Sheng, Hao Tian and Hao Tian Development pursuant to which Rui Sheng agreed to subscribe for and Hao Tian agreed to issue and allot the Subscription Shares
“Subscription Shares”	100,000,000 new shares in the capital of Hao Tian
“%”	per cent.

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

Hong Kong, 9 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.