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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  
EXERCISE OF PUT OPTION**

On 9 April 2015, Rui Sheng (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement, pursuant to which Rui Sheng agreed to subscribe for 100,000,000 new shares and representing 10% of the total issued share capital of Hao Tian for an aggregate consideration of HK\$100,000,000. Pursuant to the Subscription Agreement, 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 (i.e. at HK\$115,000,000 in total) from Rui Sheng if the Relevant Event does not occur within three years from the completion date of the Subscription Agreement.

On 9 April 2018, Rui Sheng exercised the Put Option.

As the applicable percentage ratios in respect of the exercise of the Put Option are more than 5% but are less than 25%, the exercise of the Put Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 9 April 2015.

\* for identification purpose only

## **EXERCISE OF PUT OPTION**

On 9 April 2015, Rui Sheng (a wholly-owned subsidiary of the Company) entered into Subscription Agreement, pursuant to which Rui Sheng agreed to subscribe for and Hao Tian 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. Pursuant to the Subscription Agreement, Hao Tian and Hao Tian Development undertook to 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 GEM of the Stock Exchange) to take place within three years from the date of completion of the Subscription Agreement. In this connection, Hao Tian Development 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 (i.e. at HK\$115,000,000 in total) from Rui Sheng if the Relevant Event does not occur within three years from the completion date of the Subscription Agreement. Rui Sheng may at its discretion exercise the Put Option within three months after the expiry of three years from the completion date of the Subscription Agreement.

As the Relevant Event had not occurred within three years from the completion date of the Subscription Agreement, Rui Sheng exercised the Put Option on 9 April 2018 to request Hao Tian Development to acquire all of the Subscription Shares.

### **Consideration and Completion**

The total repurchase price of the Subscription Shares of HK\$115,000,000 shall be payable by Hao Tian Development partly by way of deduction of the indebtedness owed by the Group to Hao Tian and partly by way of cash. The exercise price of HK\$1.15 per Subscription Share was a pre-agreed term under the Subscription Agreement which was determined after arm's length negotiation between the Parties.

Completion shall take place upon completion of the stamping of the transfer documents of the Subscription Shares. After the Completion, Rui Sheng will cease to hold any interest in Hao Tian.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in (i) the trading of clinker, cement and other building materials; (ii) the mining and trading of iron ore and raw materials; and (iii) real estate investment and development.

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 an indirect wholly-owned subsidiary of Hao Tian Development, and a money lender licensed in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Company does not have financial information of Hao Tian.

Hao Tian Development is listed on the Main Board of the Stock Exchange (stock code: 474). It is an investment holding company. Hao Tian Group is principally engaged in the business of financial services, securities investment, trading of futures, logistics and warehousing, rental and trading of construction machinery.

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.

## **REASONS FOR AND BENEFITS OF THE EXERCISE OF THE PUT OPTION**

Based on the preliminary assessment, it is expected that the Group will record a book gain of approximately HK\$779,000 as a result of the Disposal, being the difference between the exercise price of the Put Option and the aggregate carrying value of the Subscription Shares and Put Option of approximately of HK\$114,221,000 in the consolidated financial statements of the Group as at 30 September 2017.

The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company. It is expected that the proceeds from the Disposal will be applied as general working capital of the Group and for potential investment of the Group in the future.

The Board considered that the exercise of the Put Option is a good opportunity to realise the Group's indirect investment in Hao Tian.

The Directors (including the independent non-executive Directors) are of the view that the exercise of the Put Option as contemplated under 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 LISTING RULES**

As certain applicable percentage ratios in respect of the exercise of the Put Option are more than 5% but are less than 25%, the exercise of the Put Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless otherwise requires:

“Board”	the board of Directors;
“Company”	Prosperity International Holdings (H.K.) Limited, a company incorporated in the Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 803);
“Completion”	completion of the Disposal pursuant to the Put Option;
“connected persons”	has the meaning ascribed to it under the HK Listing Rules;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Subscription Shares by Rui Sheng pursuant to the exercise of the Put Option;
“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;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Parties”	collectively, Rui Sheng, Hao Tian and Hao Tian Development and “Party” shall mean any one of them;
“percentage ratios”	has the same meaning as defined in Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China;

“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 shares of Hao Tian on the Main Board or the GEM 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;
“Shareholder(s)”	the shareholder(s) of the Company;
“Subscription Agreement”	the subscription agreement dated 9 April 2015 entered into between the Parties pursuant to which Rui Sheng agreed to subscribe for and Hao Tian agreed to issue and allot the Subscription Shares;
“Subscription Share(s)”	100,000,000 new shares in the capital of Hao Tian;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent

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

Hong Kong, 9 April 2018

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