

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement released in the London Stock Exchange plc. today by Prosperity Minerals Holdings Limited, which is a direct 53.34%-owned subsidiary of the Company and whose shares are admitted to trading on the AIM market of the London Stock Exchange plc.

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

Hong Kong, 30 July 2010

As at the date of this announcement, the executive directors of Prosperity International Holdings (H.K.) Limited are Mr. Wong Ben Koon (Chairman), Mr. Sun Yong Sen (Deputy Chairman), Dr. Mao Shuzhong (Chief Executive Officer), Mr. Kong Siu Keung, Mr. Johannes Petrus Mulder and Ms. Gloria Wong. The independent non-executive directors are Mr. Mo Kwok Choi, Mr. Yuen Kim Hung, Michael and Mr. Yung Ho.

** for identification purpose only*

30 July 2010

**Prosperity Minerals Holdings Limited
("Prosperity") or ("the Company")**

**Further Announcement in relation to the
Guangzhou Properties Agreement**

Prosperity Minerals Holdings Limited (AIM: PMHL.L) is an iron ore trading business serving the People's Republic of China ("PRC") and also holds investments in entities involved in the manufacture and sale of cement and clinker in the same market.

Introduction

Further to the announcement of 1 June 2010, Prosperity has made progress towards acquiring property assets in Guangzhou, which form part of its strategy as outlined in February 2010.

The Company announces additional information in relation to the sale and purchase agreement (the "Guangzhou Properties Agreement") entered into by Pro-Rise Business Limited ("Pro-Rise"), a wholly owned subsidiary of the Company, pursuant to which Pro-Rise conditionally agreed to purchase the entire issued share capital of Bliss Hero Investment Group Limited ("Bliss Hero HK"), which holds certain property interests in Guangzhou City, the PRC. Unless otherwise specified, the capitalised terms used in this announcement shall have the same meaning as those defined in the announcement dated 1 June 2010.

Highlights

- The total Guangzhou Properties Consideration is expected to be approximately HK\$850 million (approximately £70.1 million).
- An initial refundable deposit of HK\$220 million (approximately £18.1 million) has been paid, with the remaining amount to be paid upon completion of the Guangzhou Properties Agreement.
- The Independent Valuer, Jones Lang LaSalle Sallmans, has determined that the value of the Guangzhou Properties as at 31 March 2010 is approximately HK\$2,148 million (approximately £177.0 million).
- The carrying value of the Guangzhou Properties as included in the audited net asset value of Bliss Hero HK as at 31 March 2010 after taking into account Jones Lang LaSalle Sallmans valuation was HK\$2,085 million (approximately £171.8 million).
- The Independent Directors of the Company, having consulted with the Company's Nominated Adviser, Daniel Stewart & Company plc ("Daniel Stewart"), are of the opinion that the terms of the Guangzhou Properties Agreement are fair and reasonable insofar as the Company's shareholders are concerned.
- The purchase constitutes a major and connected transaction for the Company's majority shareholder, Prosperity International Holdings (H.K.) Limited ("PIHL"), and therefore requires approval from the Independent Shareholders of PIHL at a Special General Meeting to be held on 16 August 2010 ("PIHL's SGM").
- If the approval is gained at PIHL's SGM, all regulatory requirements for the completion of the Guangzhou Properties Agreement will have been met and the balance of the consideration of approximately HK\$630 million (approximately £51.9 million) would be paid shortly thereafter.

The Guangzhou Properties Consideration

The consideration for the Guangzhou Properties comprises: (i) the consideration payable for the assignment of the Bliss Hero's Loan; and (ii) the net asset value (after deducting minority interests) of Bliss Hero HK as at 31 March 2010 after taking into account a property valuation of the Guangzhou Properties carried out as at 31 March 2010. At the date of this announcement, Pro-Rise has paid an

initial refundable deposit of HK\$220 million (approximately £18.1 million) as part of the consideration. The remaining amount will be paid on completion of the Guangzhou Properties Agreement. Should there be any adjustment to the Bliss Hero's Loan amount (of which HK\$408.5 million (approximately £33.7 million) was outstanding as at 31 March 2010), it will be paid as soon as practicable following agreement on the adjustment but in any case within 60 days after completion of the Guangzhou Properties Agreement.

At the time of signing of the Guangzhou Properties Agreement, the independent valuation of the Guangzhou Properties and the unaudited consolidated management accounts of Bliss Hero HK as at 31 March 2010 had not been completed, which meant it was not possible to determine the exact amount of the consideration. Following the signing of the Guangzhou Properties Agreement, the Company and PIHL appointed Jones Lang LaSalle Sallmans as Independent Valuer to carry out the valuation of the Guangzhou Properties. The Independent Valuer has determined that the value of the Guangzhou Properties as at 31 March 2010 is approximately HK\$2,148 million (approximately £177.0 million) (the "Independent Property Valuation").

The accounts of Bliss Hero HK have been prepared in accordance with International Financial Reporting Standards, including a revaluation of fixed assets based on the Independent Property Valuation. The audited net asset value (after deducting minority interests) of Bliss Hero HK as at 31 March 2010, after taking into consideration the Independent Property Valuation, is approximately HK\$441.5 million (approximately £36.4 million). Taking this audited net asset value together with the Bliss Hero Loan, of which HK\$408.5 million (approximately £33.7 million) was outstanding as at 31 March 2010, means that the total Guangzhou Properties Consideration is expected to be approximately HK\$850 million (approximately £70.1 million), subject to any adjustment of the Bliss Hero Loan on completion.

Approval of the Guangzhou Properties Acquisition by the Independent Directors

Mr. Wong and his associates are together interested in more than 30 per cent of the issued share capital of Splendid City, the Vendor of Bliss Hero HK, and Cheong Sing. Therefore, the Guangzhou Properties Agreement constitutes a related party transaction under Rule 13 of the AIM Rules as Mr. Wong is a Director of the Company. Accordingly, the Guangzhou Properties Agreement is conditional upon the approval of the Independent Directors of the Company.

The Guangzhou Properties Agreement also constitutes a major and connected transaction for the Company's majority shareholder, PIHL, a company listed on the Hong Kong Stock Exchange and governed under the HK Listing Rules, as Mr. Wong and his associates are controlling shareholders of PIHL. Accordingly, the Guangzhou Properties Agreement is subject to approval by the Independent Shareholders of PIHL at a Special General Meeting scheduled to be held on 16 August 2010.

Prior to PIHL obtaining the approval of its Independent Shareholders, the HK Listing Rules require an Independent Board Committee of PIHL to review the Guangzhou Properties Agreement and to give its opinion on the fairness and reasonableness of the terms of the Guangzhou Properties Agreement after having first taken advice from an independent financial adviser for which PIHL has appointed Access Capital Limited ("Access Capital").

In the Company's announcement on 1 June 2010, the Independent Directors of the Company announced that they would only make a determination in respect of the Guangzhou Properties Agreement after consultation with the Company's Nominated Adviser, Daniel Stewart, and the Independent Board Committee of PIHL and after having considered the views of Access Capital in relation to the fairness and reasonableness of the terms of the Guangzhou Properties Agreement, as set out in its letter dated 30 July 2010 addressed to the Independent Board Committee of PIHL (the "IFA Letter"). The Independent Board Committee of PIHL has confirmed to the Independent Directors of the Company that, having taken into account the advice of Access Capital, they are of the opinion that the terms of the Guangzhou Properties Agreement are on normal commercial terms and are fair and reasonable, and that the entering into of the Guangzhou Properties Agreement is in the interests of PIHL and the shareholders of PIHL as a whole.

The Independent Directors of the Company have noted the views of the Independent Board Committee of PIHL and have reviewed the IFA Letter.

The Independent Directors of the Company are of the view, having consulted with the Company's Nominated Adviser, that the terms of the Guangzhou Properties Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

PIHL has today published a shareholder circular, in compliance with its obligations under the HK Listing Rules, which contains, among other things, further details about the Guangzhou Properties Agreement, a copy of the IFA Letter, the notification of the PIHL SGM and the views of the Independent Board Committee of PIHL as to the fairness and reasonableness of the terms of the Guangzhou Properties Agreement. The circular also contains: (i) a property valuation report on the Guangzhou Properties provided by the Independent Valuer, which states that the value of the Guangzhou Properties as at 30 April 2010 is approximately HK\$2,157 million (approximately £177.8 million); and (ii) the Bliss Hero HK Accounts. Under the HK Listing Rules, it is a requirement that the property valuation report on the Guangzhou Properties be made up as at 30 April 2010. However, for the purposes of the determining the amount of the Guangzhou Properties Consideration, the Independent Property Valuation is at 31 March 2010. The circular has not been reviewed by the Directors of the Company, save for (David) Ben Koon Wong, Michael Kim Hung Yuen and Johannes Petrus Mulder (who are also Directors of PIHL). A copy of the circular and the relevant announcements of PIHL can be found on PIHL's website (www.pihl-hk.com).

Further enquiries:

Prosperity Minerals Holdings Limited

Patrick Li, Chief Financial Officer
Sandy Chim, Non-executive Director
Neelke Kruger, Investor Relations

Tel: + 44 (0) 20 7638 9571

Citigate Dewe Rogerson

Martin Jackson
George Cazenove
Kate Lehane

Tel: + 44 (0) 20 7638 9571

Daniel Stewart & Company plc

Emma Earl
Paul Shackleton

Tel: + 44 (0) 20 7776 6550

Notes to Editors:

Prosperity (AIM: PMHL) is:

- an iron ore trading business serving the PRC;
- involved in the manufacture and sale of cement and clinker in the same market; and
- an investor in specialty real estate development projects.

Prosperity recently disposed of its cement business in the PRC but retained its 33.06% interest in Anhui Chaodong Cement Company Limited ("ACC"). ACC is located in Anhui Province in eastern PRC. The designed sellable output capacity of clinker** and cement at ACC is 3.4 million tonnes per year. Prosperity is also in the process of acquiring a 25% equity interest in Liaoning Changqing Cement Co. Limited ("Liaoning Changqing"). Liaoning Changqing recently completed construction of a cement and clinker production line in Liaoning, PRC with a production capacity of 2 million tonnes per annum. Trial production commenced on 28 April 2010, the start of normal production is expected in September 2010.

The iron ore trading business has been operating since 1992 and sources iron ore, for shipment and use in the PRC, from major international iron ore producers in South Africa, Brazil and Australia, as well as from South East Asia, Thailand and Malaysia in particular. The majority of the Company's iron ore is sold to the large steel manufacturers in the PRC and, in the fiscal year ended 31 March 2009,

Prosperity shipped 4.4 million tonnes of iron ore. This volume increased to 7.9 million tonnes in the fiscal year ended 31 March 2010.

The PRC is the World's third largest economy (behind the US and Japan) and the largest producer and consumer of cement and the biggest buyer of iron ore.

As from 1 February 2010, Prosperity also has a real estate investment and development division and has recently entered into a number of agreements designed to build up a portfolio of PRC property and development assets.

***Clinker is a complex calcium alumino-silicate material produced by the calcinations of limestone and clays. It is then ground and mixed with gypsum to form cement or, more correctly, Portland Cement.*

For the purposes of this announcement, conversion of HK\$ into £ is based on the reference exchange rate of £1 = HK\$12.1297.