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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Prosperity Investment Holdings Limited, you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**PROSPERITY INVESTMENT HOLDINGS LIMITED****嘉進投資國際有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 310)****MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF INVESTMENT IN
YANTAI JULI FINE CHEMICAL CO., LTD.*
AND
NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 3 to 8 of this circular.

A notice convening an SGM to be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 7 December 2017 at 11 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed herewith. Whether or not you are able to attend and vote at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 11 a.m. (Hong Kong time) on Tuesday, 5 December 2017 or not less than 48 hours before the time for the holding of any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

* *for identification purpose only*

CONTENTS

	<i>Pages</i>
Definitions	1–2
Letter from the Board	3–8
Appendix I — Financial Information of the Group	9–10
Appendix II — General Information	11–14
Notice of SGM	SGM-1–SGM-2

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement issued by the Company dated 31 October 2017 in relation to the Disposal
“Board”	the board of Directors
“Company”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB27 million (equivalent to approximately HK\$31.72 million), i.e. RMB12 per Sale Share, payable by the Purchaser for the Sale Shares
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Share Transfer Agreement
“Guarantor”	鞏和山 (Gong Heshan*), the guarantor of the Purchaser
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	14 November 2017, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Performance Guarantee Letter”	a performance guarantee for the obligations of the Purchaser to make payment of the Consideration under the Share Transfer Agreement to be issued by the designated PRC bank to the Vendor as beneficiary
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	寧夏胡楊智能投資發展中心(有限合伙) (NingXia Huyang Zhineng Investment Development Centre (Limited Partnership)*)

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder
“Sale Shares”	2,250,000 shares of Yantai Juli, representing approximately 1.17% equity interest in Yantai Juli as at the date of this circular
“Share(s)”	ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders Approval”	the approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at the SGM of the Share Transfer Agreement and the transactions contemplated thereunder
“Share Transfer Agreement”	the share transfer agreement dated 31 October 2017 entered into among the Vendor, the Purchaser and the Guarantor relating to the Disposal
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States of America
“Vendor”	Carson Capital Resources Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Yantai Juli”	煙台巨力精細化工股份有限公司 (Yantai Juli Fine Chemical Co., Ltd.*), a company established in the PRC
“%”	per cent.

For the purpose of this circular, unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.175. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rate at all.

LETTER FROM THE BOARD



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 310)

Executive Director:

CHENG Hairong (*Chairman and Managing Director*)

Non-Executive Director:

LAU Tom Ko Yuen (*Deputy Chairman*)

Independent Non-Executive Directors:

FENG Nien Shu

LUI Siu Tsuen, Richard

WONG Lai Kin, Elsa

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business

in Hong Kong:

Suite 2701, Shui On Centre

6–8 Harbour Road

Wanchai

Hong Kong

Hong Kong, 21 November 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF INVESTMENT IN YANTAI JULI FINE CHEMICAL CO., LTD.*

INTRODUCTION

Reference is made to the Announcement in which the Board announced that on 31 October 2017 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) entered into the Share Transfer Agreement with the Purchaser and the Guarantor, for the disposal by the Vendor of the Sale Shares (being 2,250,000 shares, representing approximately 1.17% equity interest, in Yantai Juli) to the Purchaser at the aggregate consideration of RMB27 million (equivalent to approximately HK\$31.72 million). Upon completion of the Disposal, the Group will cease to have any interest in Yantai Juli.

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Transfer Agreement and the Disposal; (ii) financial information of the Group; (iii) other information as required to be disclosed under the Listing Rules; and (iv) notice of SGM.

* for identification purpose only

LETTER FROM THE BOARD

Share Transfer Agreement

The principal terms of the Share Transfer Agreement are summarized as follows:

Date : 31 October 2017

Parties : (a) Carson Capital Resources Limited, a wholly-owned subsidiary of the Company, being the Vendor

(b) 寧夏胡楊智能投資發展中心(有限合伙) (Ningxia Huyang Zhineng Investment Development Centre (Limited Partnership)*), being the Purchaser

(c) 鞏和山 (Gong Heshan*), as the guarantor for the Purchaser

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners and the Guarantor are third parties independent of the Company and its connected persons.

Assets to be disposed of

As at the Latest Practicable Date, the Sale Shares, being 2,250,000 shares, represents approximately 1.17% equity interest, in Yantai Juli.

Consideration

The Consideration payable by the Purchaser for the Sale Shares is RMB27 million (equivalent to approximately HK\$31.72 million), i.e. RMB12 per Sale Share. The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser with reference to the new issue price of shares in Yantai Juli as mentioned in the paragraph headed "Reasons for and the benefit of the Disposal" below.

Completion and Payment of the Consideration

Within 40 business days of the Shareholders Approval having been obtained, the Purchaser and the Guarantor shall procure the completion of the following:

- (i) Yantai Juli enters the name of the Purchaser into its register of members;
- (ii) Yantai Juli makes the necessary filings in relation to the transfer of the Sale Shares in accordance with the Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》);
- (iii) the Purchaser and Yantai Juli pay the applicable PRC withholding tax (if any) payable by the Vendor in relation to the Disposal and provide the relevant tax receipts; and
- (iv) the Purchaser shall be responsible for handling the necessary filing with and, if required, application for approval from, the relevant foreign exchange authorities of the PRC and remittance procedures for the payment of the Consideration.

LETTER FROM THE BOARD

Within 10 business days after completion of items (i) to (iv) above, the Purchaser shall pay the Consideration, net of any applicable PRC withholding tax and expenses related to the Disposal payable by the Vendor, in USD to the Vendor's designated bank account in Hong Kong. The Purchaser shall not be responsible for any delay in payment of the Consideration due to processing of the foreign exchange authorities.

The Purchaser undertakes to provide the Vendor with the Performance Guarantee Letter within 14 business days after the signing of the Share Transfer Agreement. Under the Performance Guarantee Letter, the issuing bank undertakes that if the Purchaser fails to pay the Consideration in accordance with the terms and conditions of the Share Transfer Agreement, it will within 14 business days after receipt of written notice from the Vendor, pay to the Vendor the amount payable by the Purchaser under the terms of the Share Transfer Agreement up to RMB27,000,000.

Other fees

If Yantai Juli has to incur any additional audit fees and/or valuation fee for the Disposal, such expenses up to the sum of RMB250,000, shall be borne by the Vendor.

Conditions Precedent

The sale of the Sale Shares is conditional upon the fulfillment of the following conditions:

- (a) the Shareholders Approval having been obtained;
- (b) the Company having complied with any relevant requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities in relation to the transactions contemplated under the Share Transfer Agreement; and
- (c) the Vendor having received the Performance Guarantee Letter in the agreed form.

As at the Latest Practicable Date, the Vendor has yet to receive the Performance Guarantee Letter from the Purchaser. The Directors (including the independent non-executive Directors) consider that the terms of the Disposal, including the Consideration, are on normal commercial terms and are fair and reasonable.

Upon completion of the Disposal, the Vendor will cease to have any interest in Yantai Juli.

INFORMATION OF THE GROUP

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Group is principally engaged in investment in both listed and unlisted investments and other related financial assets.

INFORMATION OF YANTAI JULI

Yantai Juli is a company incorporated in the PRC in June 2001, and is principally engaged in the production, processing and sale of hi-technology chemical products including toluene diisocyanate for manufacturing industry.

LETTER FROM THE BOARD

Set out below is the audited financial information of Yantai Juli as extracted from its financial statements prepared in accordance with the PRC generally accepted accounting principles for the two financial years ended 31 December 2015 and 2016:

	For the year ended 31 December	
	2015	2016
	(audited)	(audited)
	<i>RMB million</i>	<i>RMB million</i>
(Loss)/Profit before tax	(254)	139
(Loss)/Profit after tax	(255)	147

As at 31 December 2016, the audited consolidated net asset value attributable to owners of Yantai Juli was approximately RMB722 million.

INFORMATION OF THE PURCHASER AND THE GUARANTOR

The Purchaser is a company established in the PRC. To the best of the knowledge, information and belief of the Directors, the purchaser is an investment holding company and an existing shareholder of Yantai Juli.

The Guarantor is the legal representative and the chairman of the board of directors of Yantai Juli. To the best of the knowledge, information and belief of the Directors, the Guarantor holds a majority interest in the single largest shareholder of Yantai Juli.

The Purchaser and the Guarantor have confirmed under the Share Transfer Agreement that they are independent of each other.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Vendor acquired the Sale Shares in 2010. The total investment costs of the Group for the Sale Shares amounted to approximately HK\$25,810,000. Since the acquisition, the Group has only received dividends of approximately HK\$642,000 and HK\$255,000 from Yantai Juli for the years ended 2013 and 2014 respectively and no dividends have been received or declared for the other years, including for the financial year ended 31 December 2016. The Group has also not received any other distributions from Yantai Juli. The operating results of Yantai Juli fluctuated between 2010 and 2016 with losses for the 2014 and 2015 financial years. Due to the performance of and returns from Yantai Juli as abovementioned, impairment on the investment cost of the Sale Shares had been made in 2011, 2012 and fully impaired in 2015.

At a shareholders meeting of Yantai Juli held on 28 June 2017, it was resolved that Yantai Juli would issue 42,000,000 new shares at RMB12 each, which have been fully subscribed by various investors. The Vendor has not subscribed for any of the new shares and its equity interest in Yantai Juli was therefore diluted from 1.5% to the present 1.17%.

The Disposal at the Consideration would represent an annualized return of approximately 2.64% (without taking into account any enterprise income tax on non-resident enterprises which may be payable by the Vendor in relation to the Disposal) on the Group's cost of investment in the Sale Shares.

LETTER FROM THE BOARD

The Directors consider that the Disposal provides the Group with a good opportunity to realise its investment in Yantai Juli and will generate cash inflow to the Group for its general working capital and/or for other investment opportunities. The Directors (including the independent non-executive Directors) are therefore of the view that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL

The Sale Shares had been accounted for as available-for-sale investment and stated at cost less impairment in the Company's consolidated financial statement and the investment costs thereof have been fully impaired in the financial year ended 31 December 2015.

Subject to review of the Company's auditor, based on the Consideration of RMB27,000,000 (equivalent to approximately HK\$31.72 million), the Group currently expects to record a gain arising from the Disposal of approximately HK\$31.72 million upon completion, before deduction of transaction costs and taxation.

The Group intends to apply the net proceeds from the Disposal for general working capital and new investment when opportunities arise.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) exceeds 25% but is less than 75%, the Disposal constituted a major transaction of the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The Company will convene the SGM at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 7 December 2017 at 11 a.m. at which resolution will be proposed for the purpose of considering and if thought fit, approving the Disposal and the transactions contemplated thereunder. The notice of SGM is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use in connection with the SGM is enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 11 a.m. (Hong Kong time) on Tuesday, 5 December 2017 or not less than 48 hours before the time for the holding of any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the SGM will be by poll.

Any Shareholder with a material interest in the Disposal and his/her/its close associates shall abstain from voting on the resolutions to be proposed at the SGM to approve the Share Transfer Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, none

LETTER FROM THE BOARD

of the Shareholders nor their close associates has any material interest in the Share Transfer Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting at the SGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to attend and vote at the SGM to be held on Thursday, 7 December 2017, the register of members of the Company will be closed from Friday, 1 December 2017 to Thursday, 7 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the SGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, 30 November 2017.

RECOMMENDATION

The Board considers the Share Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to approve the Share Transfer Agreement and the transactions contemplated thereunder at the SGM.

ADDITIONAL INFORMATION

Your attention is draw to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Prosperity Investment Holdings Limited
Cheng Hairong
Chairman and Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2014, 2015 and 2016 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2017 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Group (www.irasia.com/listco/hk/prosperityinv/index.htm).

- The annual report of the Group for the year ended 31 December 2014 dated 27 March 2015 (pages 31 to 91);

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0416/LTN201504161253.pdf>

- The annual report of the Group for the year ended 31 December 2015 dated 30 March 2016 (pages 35 to 95);

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0419/LTN20160419770.pdf>

- The annual report of the Group for the year ended 31 December 2016 dated 30 March 2017 (pages 47 to 111); and

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0419/LTN20170419892.pdf>

- The interim report of the Group for the six months ended 30 June 2017 dated 25 August 2017 (pages 13 to 29).

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0914/LTN20170914960.pdf>

2. INDEBTEDNESS

At the close of business on 30 September 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had an unguaranteed margin loan of HK\$51,761,660 from a securities broker which was secured by a portfolio of available-for-sale investments and held-for-trading listed equity investments held under the margin account of the Group, with a total market value of approximately HK\$207,192,098.

Save as aforesaid or as otherwise disclosed herein, the Group did not have, at the close of business on 30 September 2017, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or contingent liabilities.

The Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business on 30 September 2017.

3. WORKING CAPITAL

As at the Latest Practicable Date, the Directors, after due and careful enquiry, are of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances after taking into account: (i) the internal resources of the Group, (ii) the credit facilities available to the Group and (iii) the Disposal.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is currently engaged in investment in both listed and unlisted securities and other related financial assets.

The management of the Company considered that the Disposal could provide the Group with an extra funding for general working capital and new investment when opportunity arise which in turn possibly increase the net worth of the Shareholders.

After the Disposal, the Group will continue its principal activities of investment in both listed and unlisted securities and other related financial assets. The Group will explore any opportunities for valuable investments in order to enhance the value of the Group and the net worth of the Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' and Chief Executive's interests

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are as follows:

Long Positions in Shares:

Name of Director	Nature of Interest	Number of Shares held	Approximate % of Shareholding
Mr. Lau Tom Ko Yuen	Interest of spouse and interest of controlled corporation	266,890,840 <i>(Note)</i>	22.03%
Mr. Cheng Hairong	Beneficial Owner	9,370,000	0.78%

Note: The 266,890,840 Shares were held by Favor Hero Investments Limited, a company owned as to 51% by Sun Matrix Limited which in turn is owned as to 50% by Mr. Lau Tom Ko Yuen and 50% by his spouse.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interest or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered into the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

2.2 Substantial Shareholders' and other Shareholders' Interests

As at the Latest Practicable Date, so far as was known to any Director or the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Nature of Interest	Number of Shares held	Approximate % of shareholding
Favor Hero Investments Limited	Beneficial Owner	266,890,840	22.03%
Glory Avenue Limited	Interest of controlled corporation	266,890,840 (Notes 1 & 3)	22.03%
Lan Yi	Interest of spouse and interest of controlled corporation	266,890,840 (Notes 1 & 2)	22.03%
Lau Tom Ko Yuen	Interest of spouse and interest of controlled corporation	266,890,840 (Notes 1 & 2)	22.03%
Liu Min	Interest of controlled corporation	266,890,840 (Notes 1 & 3)	22.03%
Silvery Fortune Holdings Limited	Interest of controlled corporation	266,890,840 (Notes 1 & 3)	22.03%
Sun Matrix Limited	Interest of controlled corporation	266,890,840 (Notes 1 & 2)	22.03%

Notes:

- 266,890,840 Shares were held by Favor Hero Investments Limited, a company controlled as to 51% by Sun Matrix Limited and as to 49% by Glory Avenue Limited. Mr. Lau Tom Ko Yuen and Mr. Cheng Hairong are directors of Favor Hero Investments Limited.
- Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen. Mr. Lau Tom Ko Yuen is a director of Sun Matrix Limited.
- Glory Avenue Limited was wholly controlled by Silvery Fortune Holdings Limited which was wholly controlled by Mr. Liu Min.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware that there is any other person (other than the Directors or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' INTEREST IN CONTRACTS

The Directors confirm that none of the Directors has any contract or arrangement subsisting as at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

4. DIRECTORS' INTEREST IN ASSETS

The Directors confirm that none of the Directors has any interests, direct or indirect, in any assets which have been, since 31 December 2016, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

8. MATERIAL CONTRACTS

The following contract(s), not being contracts entered into in the ordinary course of business, is/are entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and which is/are or may be material:

- (a) the Share Transfer Agreement.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published audited accounts of the Group were made up.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (on any weekday other than on Saturday, Sunday and public holidays) at the principal place of business of the Company in Hong Kong at Suite 2701, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual report of the Company for the three years ended 31 December 2014, 31 December 2015 and 31 December 2016;
- (c) the interim report of the Company of the six months ended 30 June 2017;
- (d) copy of the material contract referred to in the section headed “Material Contracts” in this appendix; and
- (e) a copy of this circular.

11. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is situated at Suite 2701, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Yau Wing Yiu. Mr. Yau is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (d) In the event of inconsistency, the English text of this circular, the notice of the SGM and the accompanying form of proxy shall prevail over their respective Chinese text.



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 310)

NOTICE IS HEREBY GIVEN that a special general meeting of Prosperity Investment Holding (“**Company**”) will be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 7 December 2017 at 11 a.m., for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as ordinary resolution of the Company:

“**THAT:**

- (a) the share transfer agreement dated 31 October 2017 (“**Agreement**”) entered into between Carson Capital Resources Limited, a direct wholly-owned subsidiary of the Company, as vendor (“**Vendor**”) and 寧夏胡楊智能投資發展中心(有限合伙) (Ningxia Huyang Zhineng Investment Development Centre (Limited Partnership)*), as purchaser (“**Purchaser**”) and 鞏和山 (Gong Heshan*), the guarantor of the Purchaser (a copy of which has been produced to this meeting marked “A” and initialed by the chairman of this meeting for the purpose of identification) pursuant to which the Vendor has conditionally agreed to sell to the Purchaser and the Purchaser has conditionally agreed to purchase 2,250,000 shares, representing approximately 1.17% equity interest, in 煙台巨力精細化工股份有限公司 (Yantai Juli Fine Chemical Co., Ltd.*), a company established in the PRC, the terms and conditions thereof and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) the board of directors of the Company (“**Board**”) be and is hereby generally and unconditionally authorized to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendments, supplement or waivers of matters relating thereto as, in the opinion of the Board, are in the interest of the Company.”

By Order of the Board
Prosperity Investment Holdings Limited
CHENG Hairong
Chairman and Managing Director

Hong Kong, 21 November 2017

* *for identification purpose only*

NOTICE OF SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
Suite 2701, Shui On Centre
6–8 Harbour Road
Wanchai
Hong Kong

Notes:

1. For the purpose of determination of entitlement to attend and vote at the special general meeting to be held on Thursday, 7 December 2017, the register of members of the Company will be closed from Friday, 1 December 2017 to Thursday, 7 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the special general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, 30 November 2017.
2. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she were solely entitled hereto; but if more than one of such joint holders are present at the special general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be counted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
3. Any member of the Company entitled to attend and vote at the special general meeting convened by the above notice shall be entitled to appoint another one or more proxies to attend (if such member is the holder of two or more shares of the Company) and, subject to the provisions of the bye-laws of the Company, to vote in his stead. A proxy need not be a member of the Company but must be present in person at the special general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
4. The form of proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In order to be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited with the Hong Kong share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 11 a.m. (Hong Kong time) on Tuesday, 5 December 2017 or not less than 48 hours before the time of the holding of any adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the special general meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked and void.
5. If tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning is in effect in Hong Kong on 9:00 a.m. on Thursday, 7 December 2017, the meeting will be adjourned. The Company will post an announcement on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/prosperityinv/index.htm) to notify shareholders of the date, time and place of the rescheduled meeting.
6. The Chinese translation of this notice is for reference only and in case of any inconsistency, the English version shall prevail.