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PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 310)

RESIGNATION OF DIRECTOR REDESIGNATION OF DIRECTOR CHANGE OF CHAIRMAN OF THE BOARD, CHAIRMAN OF NOMINATION COMMITTEE AND MANAGING DIRECTOR

The board (“**Board**”) of directors (“**Director(s)**”) of Prosperity Investment Holdings Limited (“**Company**”) announces the followings:

- a) Mr. Cheng Hairong (“**Mr. Cheng**”) will resign as executive Director, chairman of the Board, chairman of nomination committee and managing Director with effect from 21 May 2021 due to personal reason.
- b) Mr. Lau Tom Ko Yuen (“**Mr. Lau**”), a non-executive Director and deputy chairman of the Company, will be re-designated as an executive Director and appointed as chairman of the Board, chairman of nomination committee and managing Director with effect from 21 May 2021.

Mr. Cheng confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that will need to be brought to the attention of the shareholders of the Company (“**Shareholders**”).

The Board takes this opportunity to thank Mr. Cheng for his valuable contribution to the Company during his past services with the Company.

The profile of Mr. Lau is set out as below:

Mr. Lau, aged 70, was appointed as non-executive Director and subsequently re-designated as executive Director and appointed as chairman of the Company in 2009. In 2010, he was redesignated as non-executive Director and deputy chairman of the Company. He is a member of the remuneration committee and the director of the subsidiaries of the Company. He has over 45 years of international corporate development and management experience in infrastructure developments as well as construction and engineering services involving the road, rail, port, power, telecommunications, mining and resources sectors in the Asia Pacific Region.

Mr. Lau was the chairman and managing director of PYI Corporation Limited (498.HK) (“**PYI**”) and had been redesigned to chairman on 18 January 2021 and has been further redesigned to executive director and vice chairman, China on 1 April 2021. Mr. Lau was the deputy chairman and executive director of South Shore Holdings Limited (577.HK) and resigned on 10 June 2020. Both companies are listed on the main board of the Stock Exchange. Save as disclosed above, Mr. Lau did not act as director in any other listed public company in the last three years.

As at the date of this announcement, Mr. Lau is deemed to be interested in 320,290,840 shares of the Company (“**Shares**”) within the meaning of Part XV of the Securities and Futures Ordinance. Among the 320,290,840 Shares, 53,400,000 and 266,890,840 Shares are beneficially owned by Mr. Lau and Favor Hero Investments Limited respectively. Favor Hero Investments Limited is a company beneficially owned as to 51% by Sun Matrix Limited and as to 49% by Glory Avenue Limited. Sun Matrix Limited is controlled as to 50% by Mr. Lau and 50% by Ms. Lan Yi, the spouse of Mr. Lau. Glory Avenue Limited is wholly controlled by Silvery Fortune Holdings Limited which is wholly controlled by Mr. Liu Min. Save as disclosed above, Mr. Lau has no relationship with any Directors, senior management and substantial or controlling Shareholders.

The letter of appointment entered into between Mr. Lau, as a non-executive Director and the Company on 21 December 2017 will be terminated upon the effect of re-designation of Mr. Lau as an executive Director. Another letter of appointment will be entered into between Mr. Lau, as an executive Director and the Company of which the appointment will continue until terminated by either party by not less than three months prior notice or any time agreed by both parties. Mr. Lau is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Bye-laws of the Company. Mr. Lau is not entitled to any emolument.

Mr. Lau is also a director of PYI Management Limited (“**PML**”), an indirect wholly-owned subsidiary of PYI. The sole shareholder of PML has resolved on 9 March 2021 that steps should be taken to place PML into creditors’ voluntary liquidation. Please refer to the announcement of the Company dated 15 March 2021 for details.

Save as disclosed above, there is no other matters relating to the re-designation that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

Corporate Governance Code

Pursuant to code provision A.2.1 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lau will perform the roles of chairman of the Board and managing Director of the Company with effect from 21 May 2021. The Board believes that in light of the nature and scale of the Group’s business operations, it is in the interests of the Group for Mr. Lau to take up both roles as it helps to ensure consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

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

Hong Kong, 7 May 2021

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Cheng Hairong, one non-executive Director, namely Mr. Lau Tom Ko Yuen and three independent non-executive Directors, namely Mr. Feng Nien Shu, Mr. Lui Siu Tsuen, Richard and Ms. Wong Lai Kin, Elsa.

** For identification purpose only*