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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: 00310)**

**CONTINUING CONNECTED TRANSACTION  
INVESTMENT MANAGEMENT AGREEMENT**

The IM Agreement dated 18 December 2018 (as amended and supplemented by the Supplemental Agreement dated 20 July 2021) entered into between the Company and Opus Capital had expired on 31 December 2021. On 26 January 2022 (after trading hours), the Company entered into the New IM Agreement with Opus Capital, pursuant to which Opus Capital is re-appointed as the investment manager of the Company for the period from 1 January 2022 to 31 December 2024 at a monthly management fee of HK\$80,000 plus, if any, discretionary bonus as the Board may in its discretion determine. The maximum remuneration payable by the Company to Opus Capital under the New IM Agreement will not exceed HK\$1,160,000 per annum for each year during the Management Period.

As Opus Capital continues to be the investment manager of the Company with effect from 1 January 2022, Opus Capital remains a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules and the transaction contemplated under the New IM Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the aggregate annual remuneration payable under the New IM Agreement is less than HK\$10,000,000 per annum and each of the applicable percentage ratios in respect of the Proposed Annual Caps is less than 25% , the New IM Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements of the Listing Rules.

On 26 January 2022 (after trading hours), the Company entered into the New IM Agreement with Opus Capital, pursuant to which Opus Capital is re-appointed as the investment manager of the Company for the period from 1 January 2022 (i.e. immediately following the expiry of the IM Agreement) to 31 December 2024. The principal terms of the New IM Agreement are set out below.

## **NEW IM AGREEMENT**

Date: 26 January 2022 (after trading hours)

### **Duration and termination**

The New IM Agreement is for the duration of the Management Period, i.e. from 1 January 2022 to 31 December 2024, unless terminated earlier by either party giving to the other party:

- (i) not less than six months' written notice; or
- (ii) one month's written notice if:
  - (a) a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution of the other party, or the other party goes into liquidation or becomes unable to pay its debts, or seeks to enter into any composition or other arrangement with its creditors or if a receiver is appointed of any of the assets of the other party; or
  - (b) the other party shall commit any material breach of its obligations under the New IM Agreement and (if such breach shall be capable of remedy) shall fail within 30 days upon receipt of notice in writing served on it requiring it to make good such breach.

### **Services to be provided**

Opus Capital shall provide investment management services to the Company including:

- identifying and evaluating investment, realization and reinvestment opportunities for the Group in accordance with the investment policies of the Company and restrictions laid down by the Board;
- presenting suitable investment, realization and reinvestment proposals to the Board for consideration and approval;
- having one of its Responsible Officers being a member of the investment committee if and for such period as the Board may request;
- executing investment, realization and reinvestment decisions given by the Board;
- monitoring the performance and status of the Assets of the Group;
- ensuring that the Assets of the Group are invested in accordance with the investment policy of the Company;
- assisting the Company in preparing valuations of the Group's investment for approval by the Board;
- if so requested by the Board, attending meetings of the Board;

- if so requested by the Board, attending the annual general meetings of the Group and any special general meetings of the Group;
- assist the Group in the preparation of its annual audited accounts and interim unaudited statements, and in particular provide such information in its possession in relation to the Assets as shall be required to enable such accounts and statements to be prepared and provide the text of an investment management report for inclusion in such accounts and statements; and
- if so required by the Board, preparing reports on the performance of the Group and its investments for presentation to the Directors prior to each meeting of the Board.

## **Remuneration**

Opus Capital is entitled to a fixed management fee of HK\$80,000 per month (exclusive of disbursements), payable by the Company monthly in arrears.

Opus Capital may also be paid a discretionary bonus, if any and at such amount as the Board may at its discretion determine, provided that no such bonus shall be payable unless the Adjusted NAV as at the end of each Financial Year exceeds the higher of: (i) the NAV for the year ending 31 December 2021; and (ii) the Adjusted NAV of the most recent Financial Year after year 2021 for which Opus Capital is paid a discretionary bonus. The amount of such bonus will be capped at HK\$200,000 for each Financial Year. Such bonus, if any, shall be paid within 30 days after the issue of the audited financial statements of the Group for the relevant Financial Year.

The remuneration payable by the Company under the New IM Agreement was agreed after arms-length negotiation between the Company and Opus Capital and was determined with reference to (i) the prevailing market rates charged by other investment managers of companies listed under Chapter 21 of the Listing Rules; (ii) the fees payable by the Company under the IM Agreement as amended and supplemented by the Supplemental Agreement; and (iii) the value of the Assets under the management of Opus Capital as at 31 December 2021 of approximately 73 million (unaudited).

The Board (including the independent non-executive Directors) therefore considers that the remuneration payable under the New IM Agreement is fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **PROPOSED ANNUAL CAPS**

The Proposed Annual Caps for the fees payable by the Group under the New IM Agreement for the three years ending 31 December 2022, 2023 and 2024 are as follows:

<b>Period covered</b>	<b>HK\$</b>
1 January 2022 to 31 December 2022	1,160,000
1 January 2023 to 31 December 2023	1,160,000
1 January 2024 to 31 December 2024	1,160,000

The Proposed Annual Caps were computed taking into account the fixed monthly fee and the maximum amount of annual bonus at HK\$200,000. In the event that the aggregate fees payable by the Group under the New IM Agreement for any of the Financial Year exceeds the Proposed Annual Cap, the Company will comply with all the relevant requirements under Chapter 14A of the Listing Rules as and when appropriate.

## Historical figures of fees paid and annual caps under the IM Agreement

The historical records of the remuneration paid to Opus Capital and the annual caps under the IM Agreement, as amended and supplemented by the Supplemental Agreement, are set out below.

<b>Period covered</b>	<b>Management fee</b> <i>HK\$</i>	<b>Discretionary bonus</b> <i>HK\$</i>	<b>Total remuneration paid</b> <i>HK\$</i>	<b>Annual cap</b> <i>HK\$</i>
1 January 2019 to 31 December 2019	7,200,000	-	7,200,000	7,930,000
1 January 2020 to 31 December 2020	7,200,000	-	7,200,000	7,960,000
1 January 2021 to 31 December 2021	4,200,000	-	4,200,000	5,000,000

*(Note)*

*Note:* As the 2021 financial year has ended the Board has resolved that no discretionary bonus is to be paid.

## INFORMATION ON THE INVESTMENT MANAGER

Opus Capital is a company incorporated in Hong Kong in 2014 with limited liability and is a licensed corporation to carry out Type 9 (asset management) regulated activities under the SFO.

Opus Capital is principally engaged in the business of provision of investment management services covering traditional and alternative investments via various platforms. It currently has 3 Responsible Officers and 5 Licensed Representatives, and is managing several other third party funds including traditional equity funds and private equity funds.

To the best of the Directors' knowledge, information and believe having made all reasonable enquiries, Opus Capital (save pursuant to Rule 14A.08 of the Listing Rules) and its beneficial owners are independent third parties not connected with the Company and its connected persons (as defined under the Listing Rules).

The background and experience of the relevant management of Opus Capital are as follows:

### Mr. Cheung Wai Hung

Mr. Cheung Wai Hung ("Mr. Cheung") is a managing director and one of the Responsible Officers of Opus Capital. Mr. Cheung has been licensed to carry out Type 9 (asset management) regulated activities under the SFO since March 2015.

Mr. Cheung has over 20 years of managerial experience in direct investment, private equity, fund management, mergers and acquisitions, real estate portfolio management and finance, covering both Hong Kong and China markets. Prior to founding Opus Capital, Mr. Cheung has been the Senior Investment Manager and the Senior Investment Director of Orion Partners between 2006 and 2014 and before that served in various positions in several international companies.

Mr. Cheung holds a Bachelor of Economics degree from the University of Sydney, Australia, and is a Chartered Financial Analyst charterholder and a member of the Hong Kong Institute of Certified Public Accountants.

### Mr. Tang Tsz Tung

Mr. Tang Tsz Tung ("Mr. Tang") is a managing director and one of the Responsible Officers of Opus Capital. Mr. Tang has been licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO as Responsible Officer since August 2014 and March 2015 respectively.

Mr. Tang has a wealth of working experience in dealing in securities and fund management. Prior to founding Opus Capital, Mr. Tang was appointed an executive director of Capital VC Limited (stock code: 2324) in March 2013. Mr. Tang worked in Citigroup Global Markets Asia Limited from September 2000 to November 2008, during which time he had more than 5 years of experience in third party portfolio management. He also worked with HSBC Private Bank (Suisse) SA from November 2008 to August 2010 and Astrum Capital Management Limited from April 2011 to April 2014.

Mr. Tang holds a Bachelor degree in Civil Engineering from University College London, UK.

### **Ms. Ng Yuen Ting**

Ms. Ng Yuen Ting (“Ms. Ng”) is a director and one of the Responsible Officers of Opus Capital. Ms. Ng has been licensed to carry out Type 9 (asset management) regulated activities under the SFO as responsible officer since March 2015.

Ms. Ng has accumulated over 15 years of diversified experience in the finance industry covering securities and futures dealing, fund and portfolio management and principal investment in non-listed securities. Prior to joining Opus Capital, Ms. Ng worked at CITIC International Assets Management Limited in its Strategic Investment department engaging in the direct investments in private companies for the company’s principal investment portfolio.

Ms. Ng obtained her Bachelor degree in Business Administration from the University of Michigan, the United States of America and is a Chartered Financial Analyst charterholder.

### **Potential conflict of interest**

The services to be provided by Opus Capital to the Company are not exclusive. Opus Capital is currently engaged to provide investment management services to 6 third party fund(s) and may in future be engaged to provide investment management services to other clients (the “Third Party Clients”). Conflict of interest may arise between the interest of the Company and those of the Third Party Clients.

Opus Capital has in place internal control mechanism to deal with conflict situations in order to ensure that:

- (i) it is able to devote sufficient time and resources to look after the Group’s affairs;
- (ii) confidentiality of the information of the Group and the Third Party Clients is maintained in accordance with the standards under any professional codes to which it is subject;
- (iii) there is a fair process for allocating investment opportunities between the Group and the Third Party Clients in a timely and equitable manner:
  - (a) it has sufficient staff to serve the Group and its compliance officers will perform daily review of order allocation, whenever applicable, to ensure that all orders are allocated fairly under its internal control measures;
  - (b) any suitable potential investment opportunities is disclosed to the Company, and the Company is given the opportunity to decide whether to participate in those investments before the Third Party Client enters into those investments;

- (c) if the Company and any Third Party Client are interested to participate in the same investment and the available investment is insufficient to satisfy these demands, it will allocate the investment to the Company and the Third Party Client(s) on a pro rata basis depending on the respective subscription requests; and
- (d) when deciding the subscription size of any investment for the Company and the Third Party Clients, it will consider factors such as current weighting of assets, risk parameters, market outlook, constraints of investment exposure and the financial resources available to the Company and the Third Party Clients.

Opus Capital also has in place compliance manual which requires its staff to observe the following practices on order allocation, whenever applicable.

- (i) ensures all orders are allocated fairly;
- (ii) makes a record of the intended basis of allocation before a transaction is effected;
- (iii) ensures an executed transaction is allocated promptly in accordance with the stated intention;
- (iv) avoids excessive trading, taking into account matters such as the nature of the relevant transactions, the portfolio's stated objective, the investment objectives of the Company and the Third Party Clients, NAV and liquidity of the Company from time to time; and
- (v) execute orders on the best available terms, taking into account the relevant market at the time for the transactions of the kind and size concerned.

## **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.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW IM AGREEMENT**

Opus Capital has served as the investment manager of the Company since 1 January 2019. With the extensive experience of its Responsible Officers and investment team, the Board is of the view that Opus Capital should continue as investment manager of the Company.

The Board (including the independent non-executive Directors) considers that the terms of the New IM Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable, and the entering into the New IM Agreement is in the interests of the Company and the Shareholders as a whole, and that the Proposed Annual Caps are fair and reasonable. None of the Directors has a material interest in the New IM Agreement and therefore no Director was required to abstain from voting on the relevant Board resolution approving the New IM Agreement.

## LISTING RULES IMPLICATIONS

Opus Capital continues to be a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules and the transaction contemplated under the New IM Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the aggregate annual remuneration payable under the New IM Agreement is less than HK\$10,000,000 and each of the applicable percentage ratios in respect of the Proposed Annual Caps is less than 25%, the New IM Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements of the Listing Rules.

## DEFINITIONS

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

“Adjusted NAV”	the NAV as at the end of the relevant Financial Year, adjusted by (A) excluding effects attributed to the issue of new shares, share repurchase and fund raisings; and (B) adding back (i) remuneration paid to Opus Capital under New IM Agreement (as amended and supplemented by the Supplemental Agreement); and (ii) dividends or distributions paid to shareholders of the Company whether in cash or in specie
“Assets”	the assets and rights from time to time of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, with its issued shares listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Financial Year”	the financial year of the Company during the Management Period, commencing from 1 January 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“IM Agreement”	the agreement dated 18 December 2018 entered into between the Company and Opus Capital in relation to the appointment of Opus Capital as the Company's investment manager for the period from 1 January 2019 to 31 December 2021
“Licensed Representative”	an individual who is granted a licence under section 120(1) of the SFO to carry on one or more regulated activity for a licensed corporation to which he/she is accredited

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Period”	the period from 1 January 2022 to 31 December 2024
“NAV”	the consolidated net asset value of the Group as reflected in its audited financial statements
“New IM Agreement”	the agreement dated 26 January 2022 entered into between the Company and Opus Capital regarding the appointment of Opus Capital as the Company’s investment manager for the period from 1 January 2022 to 31 December 2024
“Opus Capital”	Opus Capital Management Limited, a company incorporated in Hong Kong and licensed to carry out Type 9 (asset management) regulated activities under the SFO and the investment manager of the Group under both the IM Agreement and the New IM Agreement
“Proposed Annual Caps”	the proposed annual caps for the fees payable under the New IM Agreement for the three years ending 31 December 2022, 2023 and 2024
“Responsible Officer”	Licensed Representative who is also approved as a responsible officer under section 126 of the SFO to supervise the regulated activity of the licensed corporation to which he/she is accredited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the Supplemental Agreement dated 20 July 2021 entered into between the Company and Opus Capital to revise the monthly management fee payable by the Company under the IM Agreement from 1 July 2021 to 31 December 2021
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	Percent

By Order of the Board  
**Prosperity Investment Holdings Limited**  
**Wan Tat Kay Dominic Savio**  
*Company Secretary*

Hong Kong, 26 January 2022

*As at the date of this announcement, the Board comprises 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*