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Prosper One International Holdings Company Limited

富一國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1470)

EARLY REDEMPTION OF CONVERTIBLE NOTES

Reference is made to the circular (the “**Circular**”) dated 11 July 2018 and the announcement (the “**Announcement**”) dated 31 July 2018 issued by Prosper One International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the issue of convertible notes under specific mandate. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As disclosed in the Announcement, the Company completed the issue of the first tranche of the Notes to the Subscriber in the principal amount of HK\$40,000,000 on 31 July 2018.

The board of directors of the Company (the “**Board**”) wishes to announce that the Company had served a notice to the Subscriber to early redeem the first tranche of the Notes pursuant to the terms thereof and the Notes have been fully redeemed on 19 October 2018.

The Board considers that the early redemption of the first tranche of the Notes is in the interest of the Company for the following reasons:

- (i) As disclosed in the Circular, the proceeds from the issue of the Notes are intended to be used for, among other things, investment in Lithium Chile. Due to the less than satisfactory progress in the negotiations between the parties, the memorandum of understanding entered into between the Company and Lithium Chile on 13 June 2018 in relation to the potential investment may be terminated and the Company does not expect the investment in Lithium Chile will materialise. As such, the proceeds initially allocated to the investment in Lithium Chile are no longer in need;
- (ii) the Floor Price (being the minimum Conversion Price at which New Shares will be issued upon exercise of the Conversion Right) of HK\$0.8 per New Share is significantly higher than the recent market price of the Share. It is unlikely that the Subscriber will convert the first tranche of the Notes into New Shares given the current market condition; and

(iii) according to the terms of the Subscription Agreement, the Subscriber is not entitled to subscribe for the second tranche of the Notes unless the first tranche of the Notes has been fully converted into New Shares. Given that the likelihood of conversion of the first tranche of the Notes prior to maturity is low, it is fairly remote that the second tranche of the Notes will be issued in the near future.

As at the date of this announcement, the net proceeds from the issue of the first tranche of the Notes have not been utilised. The Board does not expect there will be any material impact on the Group's business, operations and financial position resulting from the early redemption of the first tranche of the Notes. The Company is still actively exploring business opportunities to develop the fertiliser raw material and fertilisers related products business as mentioned in the announcement of the Company dated 1 February 2018 and the Circular, and may consider to conduct other fundraisings as and when suitable investment opportunities arise.

By order of the Board of
Prosper One International Holdings Company Limited
Meng Guangyin
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 19 October 2018

As at the date of this announcement, the Board comprises Mr. Meng Guangyin (chairman and chief executive officer), Mr. Meng Bo, Mr. Liu Guoqing (chief financial officer) and Mr. Liu Jiaqiang as the executive directors; and Mr. Chan, Yee Ping Michael, Mr. Tian Zhiyuan and Mr. Gao Jizhong as the independent non-executive directors.