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PROSPERITY INTERNATIONAL HOLDINGS (H.K.) LIMITED

昌興國際控股(香港)有限公司*

(Incorporated in Bermuda with limited liability)

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Stock Code: 803)

CHANGE OF DIRECTORS, CHAIRMAN, COMPANY SECRETARY, COMPOSITION OF THE COMMITTEES AND AUTHORISED REPRESENTATIVES

The board (the “**Board**”) of the directors (the “**Directors**”) of Prosperity International Holdings (H.K.) Limited (the “**Company**”) hereby announces that with effect from 18 December 2020:

- (1) Mr. Wong Ben Koon (“**Mr. Wong**”) has resigned as (i) an executive Director; (ii) an authorised representative of the Company for accepting service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Part 16 Authorised Representative**”); and (iii) an authorised representative (the “**Exchange Authorised Representative**”) of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in order to devote more time to his personal business affairs. Following Mr. Wong’s resignation as an executive Director, he ceased to be the chairman of the Board (the “**Chairman**”);
- (2) Mr. Nie Qiaoming and Mr. Ma Xin (respectively defined as “**Mr. Nie**” and “**Mr. Ma**”) have resigned as executive Directors due to their personal commitments;
- (3) Mr. Zhao Gen (“**Mr. Zhao**”) has resigned as an independent non-executive Director (the “**INED(s)**”) due to his other business engagements. Following Mr. Zhao’s resignation as an INED, he ceased to be a member and the chairman of the audit committee of the Company (the “**Audit Committee**”) and the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”);

- (4) Mr. Guan Guisen (“**Mr. Guan**”) has resigned as an INED due to his other business engagements. Following Mr. Guan’s resignation as an INED, he ceased to be a member of the Audit Committee and the Nomination Committee and a member and the chairman of the Remuneration Committee;
- (5) Ms. Sun Shui (“**Ms. Sun**”) has resigned as the company secretary of the Company (the “**Company Secretary**”) due to her other personal commitments which require more of her dedication;
- (6) Mr. Xie Qiangming (“**Mr. Xie**”), the chief executive officer of the Company (the “**CEO**”), has been appointed as the Chairman and the chairman of the Nomination Committee; and
- (7) Mr. Yan Xiaotian, an INED, has been appointed as a Part 16 Authorised Representative, an Exchange Authorised Representative, the chairman of the Audit Committee, a member of the Nomination Committee and a member and the chairman of the Remuneration Committee.

Pursuant to the respective service agreement entered into between Mr. Wong, Mr. Nie, Mr. Ma, Mr. Guan and Mr. Zhao (collectively defined as the “**Resigned Directors**”) and the Company, the termination of the Resigned Directors’ appointment as Director is without prejudice to the accrued rights (if any) or remedies of the Company under or pursuant to the respective service agreement. Further, subject to the Bye-laws of the Company and the applicable laws, the resignation of the Resigned Directors shall not prevent them from being liable for their conducts during their term of office as Directors.

Each of the Resigned Directors has confirmed that he has no disagreement with the Board or the Company, and that there are no other matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

Code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 (the “**CG Code**”) to the Rules Governing the Listing of Securities on the Stock Exchange stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Accordingly, following the appointment of Mr. Xie as Chairman on 18 December 2020, there will be a deviation from code provision A.2.1 of the CG Code by the Company as Mr. Xie is also the CEO.

Notwithstanding the aforesaid deviation, the Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company’s business strategies and operation. Nevertheless, the Company will continue to review its operation and seek to re-comply with code provision A.2.1 of the CG Code by splitting the roles of Chairman and CEO at a time when it is appropriate to increase the independence of corporate governance of the Company.

Following Mr. Zhao and Mr. Guan’s resignation, the Company has only one INED, thus, including but not limited to, the number of INEDs, the composition of the Audit Committee and the Remuneration Committee fell below the requirements under Rules 3.10, 3.10A, 3.21 and 3.25 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

Following Ms. Sun's resignation, there will be no Company Secretary as required under Rule 3.28 of the Listing Rules.

The Board is in the process of identifying suitable candidates to fill the vacancies of INEDs as soon as practicable and in any event within 3 months from the date of this announcement pursuant to Rules 3.11 and 3.27 of the Listing Rules. The Board is also looking for a suitable candidate to fill the vacancy of the Company Secretary as soon as practicable. Further announcement will be made by the Company as and when appropriate.

The Board would like to take this opportunity to thank all the Resigned Directors and the Company Secretary for their contribution to the Company during their tenure of office.

List of Directors and Their Roles and Functions

With effect from 18 December 2020, the members of the Board are set out below:

Executive director: Mr. Xie Qiangming (*Chairman and CEO*) *INED:* Mr. Yan Xiaotian

The table below provides the latest membership information of the Audit Committee, Remuneration Committee and Nomination Committee on which each Board member serves:

Directors	Board Committees	Audit Committee	Remuneration Committee	Nomination Committee
Mr. Xie Qiangming			M	C
Mr. Yan Xiaotian		C	C	M

Notes:

C: Chairman of the relevant Board committees

M: Member of the relevant Board committees

Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Company's shares or other securities of the Company.

By order of the Board
Prosperity International Holdings (H.K.) Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Xie Qiangming
Chairman and CEO

Hong Kong, 18 December 2020

As at the date of this announcement, the executive Director is Mr. Xie Qiangming (Chairman and CEO) and the INED is Mr. Yan Xiaotian.

* *for identification purpose only*