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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)

(Stock Code: 803)

TERMINATION OF LETTER OF INTENT AND RESTRUCTURING PLAN

This announcement is made by Prosperity International Holdings (H.K.) Limited (the “**Company**”) pursuant to the Hong Kong Code on Takeovers and Mergers.

References are made to the announcements of the Company dated 15 July 2019, 23 July 2019, 23 August 2019, 24 September 2019 and 23 October 2019 (the “**Previous Announcements**”) in relation to the non-legally binding letter of intent dated 15 July 2019 (the “**LOI**”) regarding the possible restructuring plan to recapitalise the Company (the “**Restructuring Plan**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

TERMINATION OF THE LOI AND THE POSSIBLE RESTRUCTURING PLAN

The Company wishes to update its shareholders and potential investors that, after recent discussions between the Company and the Investor about the Restructuring Plan, the parties are unable to agree on the terms of the Restructuring Plan. The Company and the Investor have agreed to amicably terminate the LOI and the Restructuring Plan with effect from 1 November 2019 without any liability on the part of any party.

The Company is continuing with its disposal plans to dispose of assets to repay loans. The termination of the Restructuring Plan will have no material effect on the solvency and prospects of the Group. The Company continues to explore possible restructuring with potential investors.

* For identification purposes only

WARNINGS

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional adviser(s).

By Order of the Board
Prosperity International Holdings (H.K.) Limited
Wong Ben Koon
Chairman

Hong Kong, 1 November 2019

As at the date of this announcement, the executive Directors are Mr. Wong Ben Koon (Chairman), Ms. Gloria Wong, Mr. Xie Qiangming (Chief Executive Officer), Mr. Nie Qiaoming and Mr. Ma Xin; and the independent non-executive Directors are Mr. Zhao Gen, Mr. Guan Guisen and Mr. Yan Xiaotian.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.