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PROSPERITY INTERNATIONAL HOLDINGS (H.K.) LIMITED

昌興國際控股(香港)有限公司*

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Incorporated in Bermuda with limited liability)

(Stock Code: 803)

INSIDE INFORMATION

(1) WINDING UP PETITION; AND (2) APPLICATION FOR APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS

This announcement is made by Prosperity International Holdings (H.K.) Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company made on 29 November 2019 titled “Inside Information Legal Proceedings in Hong Kong” (the “**Legal Proceedings Announcement**”). Capitalised terms used in this announcement shall bear the same meanings as those defined in the Legal Proceedings Announcement unless the context requires otherwise.

PETITION FOR THE WINDING UP OF THE COMPANY AND APPLICATION FOR THE APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS

In addition to the Writs referred to in the Legal Proceedings Announcement, the Company and its subsidiaries (the “**Group**”) have also received demands from various creditors for repayment of debts in the total amount of approximately HK\$1,472 million; failing which the creditors have threatened to commence legal proceedings against the Group.

As previously announced, it was the Company’s intention to conduct an orderly disposal of its assets to repay its debts, a large amount of which have now matured. Pursuant to this, the Group has already disposed of a number of its assets to pare down its debts.

* for identification purpose only

However, in light of the Writs and the various demands made by the creditors, the Company is of the view that it would have to carry out its financial restructuring orderly with the assistance of the court.

On 28 November 2019, a winding up petition together with the application for the appointment of Mr. Horace Ho and Ms. Simone Kong, both of Manivest Asia Limited and Mr. Roy Bailey of Ernst & Young in Bermuda as joint and several provisional liquidators (together “**JPLs**”) of the Company on a light touch approach for restructuring purposes was presented and filed with the Supreme Court of Bermuda (the “**Bermuda Court**”) by the Company’s Bermuda Counsel, Messrs. Conyers Dill & Pearman Limited at the request of the Company (the “**JPL Application**”).

The purpose of the JPL Application is to enable the Company to continue its orderly financial restructuring with the assistance of the Bermuda Court. Under the JPL Application, the Company has requested that, should the JPLs be appointed and until further order of the Bermuda Court, the board of directors of the Company (the “**Board**”) shall continue to manage the Company’s affairs in all respects and exercise the powers conferred upon it by the Company’s Memorandum of Association and Bye-laws, subject to the JPLs’ supervision of the exercise of such powers. This would allow the Company’s current management to work with the JPLs to oversee the implementation of a financial restructuring proposal that seeks to better preserve value and business operations of the Company that would not otherwise be possible without the appointment of the JPLs. Accordingly, the Board believes it is in the interests of the Company, its shareholders and creditors that JPLs shall be appointed pursuant to the JPL Application.

The JPL Application was heard before the Bermuda Court on 29 November 2019 at 10 a.m. Bermuda time. The Bermuda Court made the orders as sought by the Company under the JPL Application, and the JPLs have been appointed with immediate effect (the “**Appointment Order**”). The powers of the JPLs granted by the Bermuda Court include, *inter alia*, (1) to review the financial position of the Company; (2) to monitor, consult with, oversee and otherwise liaise with the existing Board and the creditors and shareholders of the Company in determining the most appropriate manner of effecting a reorganization and/or refinancing of the Company; (3) if deemed necessary, and in the interests of the creditors and shareholders of the Company, to seek the assistance of or recognition in any other courts as may be considered appropriate; and (4) if agreed by the Company to be appropriate, to work with the Company to draft a scheme of arrangement under the provisions of section 99 of the Companies Act 1981 between the Company and its creditors and/or shareholders to give effect to and/or to facilitate a reorganisation and/or refinancing of the Company and to seek whatever directions are required in respect thereof from the Bermuda Court for proposing and implementing such a scheme.

Following the appointment of the JPLs pursuant to the Appointment Order, the JPLs informed the Company that they intended to seek their appointment to be recognised by the High Court of Hong Kong (the “**Recognition Application**”).

The Company will make further announcements to update the shareholders of the Company and potential investors on the development of the Writs and the Recognition Application as and when appropriate. As of the date of this announcement, the Company and its subsidiaries are still carrying out their day-to-day operations under the management of the Board.

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)
Wong Ben Koon
Chairman

Hong Kong, 29 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.