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SINO PROSPER (GROUP) HOLDINGS LIMITED

中盈（集團）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 766)

INSIDE INFORMATION

This announcement is made by the board of directors (the “**Board**”) of Sino Prosper (Group) Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to inform shareholders of the Company (the “**Shareholders**”) potential investors of the Company about an incident below.

On 21 April 2020, the Group received a civil ruling (the “**Civil Ruling**”) dated 31 March 2020 issued by the Intermediate People’s Court of Jilin City, Jilin Province*（吉林省吉林市中級人民法院）(the “**Court**”) to Jilin Ruixin Microfinance Co., Ltd.*（吉林市瑞信小額貸款有限公司）(“**Jilin Ruixin**”), an indirect wholly-owned subsidiary of the Company, pursuant to which the Court ordered that an amount of approximately RMB27.3 million (the “**Restricted Amount**”) in the two PRC bank accounts of Jilin Ruixin be frozen for a period of one year since the date of the Civil Ruling as a form of security pending judgement on the Claim (as defined below). At the same time, Jilin Ruixin received a summons issued from the Court to attend the court hearing for the Claim on 1 June 2020. As such, the Group has also engaged the PRC legal advisers to investigate the Claim (defined hereafter) and provide preliminary legal opinion in relation to the Civil Ruling and the Claim.

The Civil Ruling was initiated by an independent third party (the “**Plaintiff**”) in relation to a loan agreement dispute claim against Jilin Ruixin (the “**Claim**”). Under the Claim, the Plaintiff alleged that Jilin Ruixin, as borrower, has failed to make repayments to the Plaintiff, as lender, pursuant to certain loan agreements entered into by the Plaintiff and Jilin Ruixin. In such connection, the Plaintiff now claims Jilin Ruixin a total of approximately RMB52.8 million, including the principal and the associated interests.

After preliminary understanding and investigation by the Company on the above matter, the Company noted that no loan agreement has ever been approved by the Board and/or by the board of directors of Jilin Ruixin to be entered into between Jilin Ruixin and the Plaintiff. Save for the fact that the Plaintiff has been a past customer of the Group in its microfinancing business, the Company is not aware of any other relationship between the Group and the Plaintiff. Given that the claim may potentially involve the unauthorised use of the company seal and/or chop of Jilin Ruixin by its senior management (the “**Senior Management**”), the Board has, on 8 May 2020, decided to form an independent investigation committee (the “**Investigation Committee**”) to investigate and handle matters relating to the Claim. The Investigation Committee comprises all independent non-executive Directors. The Company has also engaged PRC legal advisers to advise on the Claim. The Senior Management is currently suspended from all his duties in Jilin Ruixin. He is not otherwise involved in other business of the Group.

As advised by the PRC legal advisers of the Company, the Civil Ruling only restricts Jilin Ruixin from utilising the Restricted Amount and does not prohibit the deposit and withdrawal of funds other than the Restricted Amount. As such, the Civil Ruling is not expected to have any material adverse impact on the normal business operation of Jilin Ruixin. As at the date of this announcement, Jilin Ruixin is under its normal business operation and there are sufficient cash reserves for its day-to-day operation. Both the company seal and chop of Jilin Ruixin are currently under the safe custody of its financial controller. The Board is of the view that the Civil Ruling and the Claim is not expected to have any material adverse impact on the business operations, financial position and solvency of the Group.

The Company is currently seeking PRC legal advice in respect of the Claim and will keep the Shareholders and potential investors informed of any material development by way of announcement as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Sino Prosper (Group) Holdings Limited
Leung Ngai Man
Chairman and Executive Director

Hong Kong, 15 May 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Leung Ngai Man and Ms. Wong Li Fong, and the independent non-executive Directors of the Company are Mr. Miao Yanan, Mr. Cai Wei Lun and Mr. Zhang Qingkui.