

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

UPDATE ON VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF EQUITY INTEREST

Reference is made to (1) the announcements (the “**Announcements**”) of the Company dated 3 September 2019 and 21 January 2020 (the “**Supplemental Announcement**”) and (2) the circular of the Company dated 25 October 2019 (the “**Circular**”) in relation to, among others things, the Disposal. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Circular.

STATUS UPDATE

As disclosed in the Supplemental Announcement, on 21 January 2020, Guangzhou Bliss Hero, Fuchun Investment and Fuchun Dongfang entered into a supplemental agreement (the “**Supplemental Agreement**”) to supplement and revise certain terms of the Equity Transfer Agreement. Pursuant to the Supplemental Agreement, the parties have agreed, among others, to postpone the payment of the Second Payment, the Third Payment and the Fourth Payment (collectively, the “**Remaining Payments**”).

As additional time is required for Fuchun Investment to obtain funding for the Remaining Payments, subsequent to the entering into of the Supplemental Agreement, the parties to the Equity Transfer Agreement have been engaged in further discussions to postpone the Remaining Payments, and the parties may further revise the timeline of the transaction.

The further revisions to the transaction timeline and, in turn, the completion of the Disposal, is crucial for the financial restructuring of the Group. The Directors believe that given the current unfavourable market condition, the nature of the asset (which is a 55% owned joint

* *For identification purpose only*

venture) and the potential difficulties (legal and otherwise) in unwinding that transaction, providing an extension of repayment time are more beneficial to each party in the transaction and the Group. The delay does not materially affect the prospects of the Group.

For the reasons set out above, the Directors (including the independent non-executive Directors) are of the view that the negotiation is on an arm's length basis, normal commercial terms and in the ordinary and usual course of business of the Group and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company will make further announcement(s) upon the parties agreeing on the further revised timeline.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in (i) real estate investment and development; (ii) mining and trading of iron ore and raw material; and (iii) trading of clinker, cement and other building materials.

Fuchun Investment is a company established in the PRC with limited liability and is a wholly-owned subsidiary of Guangdong Sendao. Guangdong Sendao is owned as to 95% by Guo Jianji and 5% by Wang Xutong. Guangdong Sendao Group is principally engaged in (i) investment in real estate in the PRC; (ii) property leasing; (iii) organizing art and cultural events; and (iv) providing credit services.

Fuchun Dongfang is an equity joint venture established in the PRC and owned as to 55% by Guangzhou Bliss Hero and as to 45% by Guangdong Sendao. It is principally engaged in property development, sales and leasing in the PRC and owns the commercial and residential development project known as Oriental Landmark in Guangzhou City, Guangdong Province, the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Following discussions with the Stock Exchange, the Stock Exchange believes that further amendments to the transaction timeline would constitute a material change to the terms of the Equity Transfer Agreement. Accordingly, the Company is required to seek fresh shareholders' approval under rule 14A.54 of the Listing Rules.

As of the date of this announcement, the Company has already obtained verbal undertakings from over 50% of its shareholders to approve the further extension of the payment term of the Equity Transfer Agreement. A circular containing, among others, (i) details on the transactions; (ii) further amendments to the terms of the Equity Transfer Agreement; and (iii) other information as required under the Listing Rules upon the finalisation of the revised terms of the Equity Transfer Agreement will be despatched to the Shareholders as soon as practicable.

As the transaction under the Equity Transfer Agreement may or may not complete, 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, 25th September 2020

As at the date of this announcement, the executive Directors are Mr. Wong Ben Koon (Chairman), 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.