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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)

INSIDE INFORMATION LITIGATION

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 (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 19 November 2020, the Company and Smart Trinity Limited, an indirect wholly owned subsidiary of the Company (“**Smart Trinity**”) were served with a writ of summons (the “**Writ**”) issued in the Court of First Instance of the High Court of Hong Kong (“**Court**”).

Long-Lasting Properties Advisors Limited, the plaintiff (the “**Plaintiff**”) in the Writ claimed against Smart Trinity as the first defendant (“**1st Defendant**”) and the Company as the second defendant (“**2nd Defendant**”) for the following reliefs:

- (1) the Plaintiff to recover against the 1st Defendant and/or the 2nd Defendant (i) the sum of \$29,697,014.79 together with interest on the sum \$28,080,000 at the rate of 12% per annum from 18 November 2020 until payment in full and (ii) interest at judgment rate accrued on the sum of \$1,617,014.79 from the date of order until payment in full secured by the Legal Charge dated 6 June 2019 (“**Legal Charge**”);
- (2) the 1st Defendant to deliver to the Plaintiff possession of certain units of residential properties situated in Hong Kong (the “**Properties**”) unless the 1st Defendant and/or the 2nd Defendant make payment adjudged in paragraph (1) above together with costs for these proceedings within 28 days of the service of the order;

- (3) the Plaintiff to re-deliver to the 1st Defendant possession of the Properties and release to the 1st Defendant the security constituted by the Legal Charge as the 1st Defendant may agree or the Court may direct, upon payment by the 1st Defendant and/or the 2nd Defendant to the Plaintiff the money ordered to be paid and all other moneys (if any) secured to the Plaintiff by the Legal Charge;
- (4) liberty to apply; and
- (5) costs of the action and the Plaintiff's application on full indemnity basis, to be taxed if not agreed.

The Company is currently seeking legal advice in relation to the above actions. The Company will keep the shareholders and potential investors of the Company informed of any further material development by way of announcement as and when appropriate.

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, 24 November 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.

** for identification purpose only*