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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 - UPDATE ON LITIGATION

This announcement is made by Prosperity International Holdings (H.K.) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions concerning disclosure of inside information 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 dated 30 July 2020 (the “**Announcement**”) in relation to, among other things, the Claims over the alleged unpaid outstanding balance of (i) RMB82,412,298 under a construction contract and guarantee (the “**1st Claim**”), and (ii) RMB69,696,750 under another construction contract and guarantee (the “**2nd Claim**”) by Geshan Construction (as plaintiff) against Binhai Qiaohong (as the 1st defendant) and the Company (as the 2nd defendant). Subsequently, Binhai Qiaohong repaid RMB12,201,482 to Geshan Construction and Geshan Construction withdrew part of its claim in the amount of RMB15,641,949.9 under the 2nd Claim. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The People’s Court of Yancheng City heard the Claims on 14 October 2020 and handed down the judgement on 30 December 2020 (the “**Judgement**”). The People’s Court of Yancheng City ordered Binhai Qiaohong (which the Company is jointly liable), among others, to pay Geshan Construction within 10 days from the effective date of the Judgement (i) RMB82,412,298 and its interests under the 1st Claim, and (ii) RMB41,853,318.1 and its

** for identification purpose only*

interests under the 2nd Claim. Geshan Construction, Binhai Qiaohong and the Company did not lodge any appeal within the prescribed time and thus the Judgment shall be final.

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)
Xie Qiangming
Chairman and Chief Executive Officer

Hong Kong, 18 January 2021

As at the date of this announcement, the executive Director is Mr. Xie Qiangming (Chairman and Chief Executive Officer) and the independent non-executive Director is Mr. Yan Xiaotian.