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Co-Prosperity Holdings Limited

協盛協豐控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 707)

INSIDE INFORMATION RELATING TO THE THIRD 2016 LOAN AGREEMENT

This announcement is made by Co-Prosperity Holdings 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 (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company (the together with its subsidiaries, the “**Group**”) dated 13 December 2015, 1 February 2016 and 30 April 2016, and the Company’s circular (the “**Circular**”) dated 22 February 2016, regarding, inter alia, the 2015 Loan Agreement and the Third 2016 Loan Agreement. This announcement shall have the same meanings as those defined in the Circular and the announcements referred to above.

Pursuant to the Third 2016 Loan Agreement, the Lender (being a wholly-owned subsidiary of the Company) granted the Third 2016 Loan to Star Platinum.

Interest on the Loan shall accrue at the rate of 12% per annum and payable in arrears every three months from the Drawdown Date. The first interest component of approximately HK\$9,414,250 was due on 27 July 2016, being three months from the Drawdown Date.

The Third 2016 Loan is secured by, among others, (i) a guarantee from Mr. Si, (ii) share pledge on the entire issued share capital of CCMI; (iii) the Share Pledge, (iv) any pledge, deed of assignment or novation to be entered into by the Borrower pursuant to which the debts of ATV it acquires would be pledged, assigned or novated to the Lender in form to the satisfaction of the Lender.

Pursuant to the Third 2016 Loan Agreement, it is expressly stated that a failure to pay any sum under the Third 2016 Loan Agreement (including interest) when due shall constitute an event of default under the Third 2016 Loan Agreement.

As at the close of business on 29 July 2016, the first interest component payment is overdue and accordingly, notwithstanding that reminder letters have been sent to the Borrower and the Guarantor on 15 July 2016 and 27 July 2016, no payment of interest has yet been made. As such, there has been an event of default under the Third 2016 Loan Agreement. The Lender has on 29 July 2016 begun to exercise its right under the relevant security documents by, inter alia, enforcing the Share Pledge. Accordingly, on 29 July 2016, the Lender became the legal and beneficial owner of the entire issued share capital of the Borrower. As a result of such event of default, all amounts under the First 2016 Loan, the Second 2016 Loan and the Third 2016 Loan have also become due and payable.

As at the date of this announcement, the aggregate amount advanced to the Borrower by the Lender under the First 2016 Loan, the Second 2016 Loan and the Third 2016 Loan is HK\$300 million.

The Company is seeking legal advice as to how to further protect its interest in connection with the default by the Borrower. Further announcements shall be made as and when applicable.

So far as the Board is aware, the Borrower had provided certain undertakings to the Hong Kong Courts and entered into various agreements and transactions in respect of the proposed rescue of ATV and acquiring the debts due to its controlling shareholder and its affiliates and ex-employees. As a result of the enforcement of the Share Charge, the Lender now steps into the shoes of the Borrower with respect to, inter alia, the acquisition of certain shareholding and debts in ATV.

The Board has proposed to continue with the rescue of ATV including the acquisition of its debts and shareholding control as well as to proceed with a scheme of arrangement when appropriate. A further evaluation of the business of ATV will be made following such scheme. Further announcements shall be made as and when applicable to update shareholders and investors on this matter.

By order of the Board
Co-Prosperity Holdings Limited
Tang Hon Kwo
Chairman

Hong Kong, 29 July 2016

As at the date of this announcement, the Board comprises Mr. Tang Hon Kwo, Mr. Li Wenfeng, Mr. Lam Chi Keung, Mr. Ip Ka Po, Mr. Sze Siu Bun and Mr. Ma Zhi as executive Directors and Ms. Tao Feng, Ms. Han Xingxing and Mr. Cheung Ngai Lam as independent non-executive Directors.

* *For identification purpose only.*