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(Incorporated in Bermuda with limited liability)

(Stock code: 391)

UPDATES ON LEGAL PROCEEDING

Reference is made to the announcements made by the Company on 16 April 2020 and 14 May 2020 (the “Announcements”) in respect of the Proceeding against the Company and a former director of the Company. Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Announcements.

On 5 November 2020, the Company received a Decision on Interest and Costs from the High Court of Hong Kong in respect of the interest and costs in relation to the Proceeding as follows:-

- (1) The plaintiff of the Proceeding was awarded simple interest on the judgment sums as specified in the Judgment dated 16 April 2020 (which was subsequently sealed and filed on 11 May 2020) at the rate of 1% above the prime rate (as quoted by the Hongkong and Shanghai Banking Corporation Limited) from 16 April 2011 to 16 April 2020, and thereafter at judgment rate as determined by the Court until full payment; and
- (2) The plaintiff of the Proceeding was awarded 75% of the plaintiff’s costs of and incidental to the Proceeding, with certificate for their two Counsel, to be taxed if not agreed.

As stated in the announcement of the Company dated 14 May 2020, an appeal has been lodged in respect of the Judgment dated 16 April 2020. The Company is taking legal advice on actions to follow, including but not limited to the quantification and agreement of the final sum of the above interest and costs, and subject to the Company’s position arising from the appeal.

Further announcement will be made by the Company on the development of the Proceeding and the appeal in accordance with the Listing Rules as and when appropriate.

On Behalf of the Board

Li Kuo Hsing

Chairman

Hong Kong, 5 November 2020

As at the date of this announcement, the executive directors of the Company are Mr. Li Kuo Hsing, Mr. Li Tang Yuk and Dr. Dong Ming, the non-executive director is Mr. Alan Cole-Ford and the independent non-executive directors are Dr. Lam Lee G., Mr. Guo Yan Jun and Mr. Leung Tak Sing, Dominic.