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Prosperous Future Holdings Limited

未來發展控股有限公司

(formerly known as Future Development Holdings Limited 未來發展控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

DISCLOSEABLE TRANSACTION

(1) ASSIGNMENT OF LOANS AND LOAN AGREEMENTS; AND (2) ASSIGNMENT OF GUARANTEED PAYMENTS AND GUARANTEES

THE DEED OF ASSIGNMENT

On 15 November 2019, Queen's Finance, an indirect wholly-owned subsidiary of the Company, entered into the Deed of Assignment with Flexi Credits, pursuant to which Queen's Finance has agreed to assign and transfer and Flexi Credits has agreed to acquire the rights, interests, benefits and title in the Assets at the Consideration of HK\$28,014,985.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Assignment are more than 5% but less than 25%, the Assignment constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE DEED OF ASSIGNMENT

Date: 15 November 2019

Parties: (1) Queen's Finance Limited, as assignor; and
(2) Flexi Credits Limited, as assignee

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Flexi Credits and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be assigned

Pursuant to the Deed of Assignment, Queen's Finance has agreed to assign and transfer and Flexi Credits has agreed to acquire the rights, interests, benefits and title in the Assets. The Assets comprises the Loans, the Loan Agreements, the Guaranteed Payments and the Guarantees.

Pursuant to the Loan Agreements, term loan facilities in the total amount of approximately HK\$30.7 million were advanced by Queen's Finance to the Borrowers. Immediately prior to Completion, the aggregate outstanding principal amounts and interest under the Loans amounted to HK\$28,014,985. The Loans are partially secured by the Guarantees. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrowers and the Guarantors are Independent Third Parties.

Consideration

The Consideration for the assignment of the Assets was HK\$28,014,985, which has been paid by Flexi Credits to Queen's Finance at Completion.

The Consideration was determined after arm's length negotiation between Queen's Finance and Flexi Credits with reference to the book value of the Loans immediately prior to Completion of HK\$28,014,985.

Completion

Completion has taken place immediately after the signing of the Deed of Assignment.

INFORMATION ON FLEXI CREDITS

Flexi Credits is a company incorporated in Hong Kong with limited liability and is principally engaged in the money lending business. It currently holds a money lenders license in Hong Kong under the provisions of the Money Lenders Ordinance.

INFORMATION ON THE GROUP AND QUEEN'S FINANCE

The principal activity of the Company is investment holdings. The Group is principally engaged in the manufacturing and sale of personal care products, money lending, trading of commodities, investment in securities, properties holding, investment holding and the provision of food and beverage services. Queen's Finance is an indirect wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of unsecured and secured loans to customers under the provisions of the Money Lenders Ordinance.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

In light of the slowdown of the economy in the People's Republic of China, the intensified conflicts in international trade and volatility in the stock markets, the Group has adopted a more prudent approach towards managing the credit risk of its personal loans and mortgage loans portfolio. The Directors considered that the Assignment will enable the Group to reduce its credit risk and frees up its capital for developing its existing businesses.

In view of the above, the Directors consider that the entering into of the Deed of Assignment and the terms of the Assignment, including the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE ASSIGNMENT

No unaudited gain or loss is expected to be incurred as a result of the Assignment given that the Loans were assigned and transferred from Queen's Finance to Flexi Credits at book value.

The net proceeds, after deduction of all relevant expenses (including but not limited to legal expenses and disbursements) incidental to the Assignment are estimated to be approximately HK\$27.9 million. The Group intends to apply the entire net proceeds from the Assignment for the money lending business, the provision of food and beverage services and general working capital.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Assignment are more than 5% but less than 25%, the Assignment constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Assets”	collectively, the Loans, the Loan Agreements, the Guaranteed Payments and the Guarantees
“Assignment”	the assignment of the Assets by Queen’s Finance to Flexi Credits pursuant to the terms of the Deed of Assignment
“Board”	the board of Directors
“Borrowers”	the borrowers under the respective Loan Agreements
“Company”	Prosperous Future Holdings Limited (formerly known as Future Development Holdings Limited) (stock code: 1259), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Assignment in accordance with the terms and conditions of the Deed of Assignment
“Consideration”	the total consideration for the Assignment
“Deed of Assignment”	the deed of assignment dated 15 November 2019 and entered into between Queen’s Finance and Flexi Credits in relation to the Assignment
“Director(s)”	the director(s) of the Company

“Flexi Credits”	Flexi Credits Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Guaranteed Payments”	all of the Queen’s Finance’s rights, interests, benefits and title in and to all monies payable by the Guarantors under the Guarantees
“Guarantees”	the guarantees contained in some of the Loan Agreements and given by the Guarantors in favour of Queen’s Finance pursuant to which the relevant Guarantor guarantees the due and punctual payment of the relevant part of the Loans by the relevant Borrower
“Guarantors”	the guarantors under the respective Loan Agreements
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	term loan facilities in the total outstanding amount of HK\$28,014,985 (inclusive of the aggregate principal amount and interests accrued thereon) advanced by Queen’s Finance to the Borrowers pursuant to the Loan Agreements
“Loan Agreements”	the loan agreements entered into between Queen’s Finance on the one hand, and the Borrowers on the other hand during the period from December 2017 to June 2019 in relation to the Loans

“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Queen’s Finance”	Queen’s Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Prosperous Future Holdings Limited
Tsai Wallen
Chairman and Executive Director

Hong Kong, 15 November 2019

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Tsai Wallen, Mr. Chau Ling and Mr. Lau Ka Ho; (ii) one non-executive Director, namely Mr. Li Zhouxin; and (iii) three independent non-executive Directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.