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**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**  
**IN RESPECT OF THE TENANCY AGREEMENT**

**THE TENANCY AGREEMENT**

The Board announces that on 19 July 2019, the Tenant, an indirect wholly-owned subsidiary of the Company, and the Landlord entered into the Tenancy Agreement in respect of the lease of the Property.

**IMPLICATIONS UNDER THE LISTING RULES**

In accordance with HKFRS 16 “Leases”, the Company will recognise the value of the right-of-use assets on its balance sheet in connection with the lease of the Property under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as acquisition of asset by the Tenant for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use of the Property under the Tenancy Agreement are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Board announces that on 19 July 2019, the Tenant, an indirect wholly-owned subsidiary of the Company, and the Landlord entered into the Tenancy Agreement in respect of the lease of the Property, details of which are set out below:

## **THE TENANCY AGREEMENT**

Date: 19 July 2019

Parties: Landlord: ATL Logistics Centre Hong Kong Limited

Tenant: China Cold Chain Co. Limited

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, each of the Landlord and its ultimate beneficial owner(s) is an Independent Third Party.

Property: Certain portion of the building containing a multi-storeyed container freight station located at Gridlines 2001W-2004W, 2nd Floor, ATL Logistics Centre Phase II, Berth No. 3, Kwai Chung Container Terminal, Kwai Chung, New Territories, Hong Kong.

Lettable area: Approximately 25,258 square feet

Rent-free periods: From 1 August 2019 to 31 August 2019 (both days inclusive) and from 1 August 2020 to 31 August 2020 (both days inclusive). The Tenant shall be responsible for the management fees, government rates, government rent, utility charges and all other outgoings during such rent-free periods.

Term: 5 years, commencing from 1 August 2019 and expiring on 31 July 2024 (both days inclusive).

Usage: Storage handling and distribution of goods which have been imported or are intended for export or re-export into or out of Hong Kong.

Monthly rental: HK\$479,902 per month for the period from 1 August 2019 to 31 July 2022 (both days inclusive) and HK\$530,418 per month for the period from 1 August 2022 to 31 July 2024 (both days inclusive). The monthly rental shall be payable in advance and is exclusive of management fees, government rates, government rent, utility charges and all other outgoings, which shall be borne by the Tenant.

Management fees: HK\$50,516 per month, which shall be payable in advance and subject to review and revision from time to time by the Landlord.

Deposits: HK\$1,677,174, which is equivalent to three months' rental (inclusive of management fees, government rates and government rent), shall be payable upon signing of the Tenancy Agreement or before taking possession of the Property, whichever is earlier.

A further amount of HK\$151,548, being the top-up amount of the deposit due to rental increase, shall be payable on or before 1 July 2022.

A holding deposit of HK\$530,418 shall be payable upon signing of the Tenancy Agreement, which holding deposit will be used to satisfy in part the rental and management fees to be paid.

The rental payable by the Tenant to the Landlord under the Tenancy Agreement was determined after arm's length negotiations between the Landlord and the Tenant with reference to the prevailing market rent for properties of similar use, floor area and location.

## **INFORMATION ON THE PARTIES**

### **The Landlord**

The Landlord is a company incorporated in Hong Kong with limited liability and is principally engaged in warehouse and office leasing.

### **The Tenant**

The Tenant is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The Tenant is principally engaged in the provision of frozen warehouse services.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE TENANCY AGREEMENT**

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacturing and sale of personal care products, money lending, operation of online platform, trading of commodities, investment in securities, properties holding and investment holding and the provision of food and beverage services.

Reference is made to the Company's circular dated 30 April 2019. On 1 March 2019, Pine Victory and the Company entered into the sale and purchase agreement pursuant to which the Company conditionally agreed to acquire and Pine Victory conditionally agreed to sell 80% of the entire issued share capital of Real Power International at the consideration of HK\$42,000,000 (subject to adjustment). Real Power International and its subsidiaries are principally engaged in the provision of food and beverage services, including the trading of agricultural products such as frozen meats. Completion of the said acquisition took place on 29 May 2019.

The Property is located at Kwai Chung Container Terminal, being one of the major international container ports in the world. Given that the Group is planning to develop its provision of frozen warehouse services business, the Directors consider that the size and location of the Property suit the Group's current business needs and is in line with the Group's development strategy. Further, the rental under the Tenancy Agreement was determined with reference to the prevailing market rent for properties of similar use, floor area and location.

In view of the above, the Directors consider that the terms of the Tenancy Agreement are fair and reasonable and the transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

In accordance with HKFRS 16 “Leases”, the Company will recognise the value of the right-of-use assets on its balance sheet in connection with the lease of the Property under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as acquisition of asset by the Tenant for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use of the Property under the Tenancy Agreement are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions will have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“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
“Landlord”	ATL Logistics Centre Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pine Victory”	Pine Victory Trading Limited, a company incorporated in Hong Kong with limited liability
“Property”	certain portion of the building containing a multi-storeyed container freight station located at Gridlines 2001W-2004W, 2nd Floor, ATL Logistics Centre Phase II, Berth No. 3, Kwai Chung Container Terminal, Kwai Chung, New Territories, Hong Kong
“Real Power International”	Real Power International Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 19 July 2019 and entered into between the Landlord and the Tenant in respect of the tenancy of the Property

“Tenant”	China Cold Chain Co. Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Future Development Holdings Limited**  
**Tsai Wallen**  
*Chairman and Executive Director*

Hong Kong, 19 July 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.*