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PROSPEROUS FUTURE 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 RELATION TO ACQUISITION OF REMAINING 90% OF THE ISSUED SHARES IN THE TARGET COMPANIES

THE ACQUISITION AGREEMENT

On 4 December 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Previous Acquisition Agreement with the Vendor, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, 10% of the issued shares in each of Goldenway Investments (HK) and Goldenway Asset Management at the consideration of HK\$3,100,000 and HK\$200,000 respectively.

On 23 January 2020, the Purchaser entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the remaining 90% of the issued shares in each of Goldenway Investments (HK) and Goldenway Asset Management at the consideration of HK\$26,418,000 and HK\$1,550,000 respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition (both on a standalone basis and when aggregated with the Previous Acquisition) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 4 December 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Previous Acquisition Agreement with the Vendor, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, 10% of the issued shares in each of Goldenway Investments (HK) and Goldenway Asset Management at the consideration of HK\$3,100,000 and HK\$200,000 respectively.

On 23 January 2020, the Purchaser entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the remaining 90% of the issued shares in each of Goldenway Investments (HK) and Goldenway Asset Management at the consideration of HK\$26,418,000 and HK\$1,550,000 respectively. The principal terms of the Acquisition Agreement are set out below:

THE ACQUISITION AGREEMENT

Date: 23 January 2020

Parties: (1) Goldenway Investments Holdings Limited, as vendor; and
(2) Bloom Team Development Limited, as purchaser.

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and provision of management services. As at the date of this announcement, the Vendor is wholly-owned by Fenton Capital Inc., being a company incorporated in the British Virgin Islands, which in turn is 100% controlled by Montclair Trustees (Hong Kong) Limited, being a company incorporated in Hong Kong with limited liability, as the current trustee of The Fenton Trust. Mr. Tang Hao is currently the sole beneficiary of The Fenton Trust.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and Mr. Tang Hao is an Independent Third Party.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares, representing the remaining 90% of the issued shares of the Target Companies at the Consideration of HK\$27,968,000.

Consideration

The consideration for the sale and purchase of each of Goldenway Investments (HK) Sale Shares and Goldenway Asset Management Sale Shares shall be HK\$26,418,000 and HK\$1,550,000 respectively, which shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (i) HK\$5,000,000 (as to HK\$4,700,000 and HK\$300,000 for the Goldenway Investments (HK) Sale Shares and Goldenway Asset Management Sale Shares respectively) shall be payable by the Purchaser to the Vendor upon signing of the Acquisition Agreement as a refundable deposit; and
- (ii) balance of the consideration of HK\$22,968,000 (as to HK\$21,718,000 and HK\$1,250,000 for the Goldenway Investments (HK) Sale Shares and Goldenway Asset Management Sale Shares respectively) shall be payable by the Purchaser to the Vendor in cash on the Completion Date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account 90% of the unaudited consolidated net assets value of each of Goldenway Investments (HK) and Goldenway Asset Management of approximately HK\$29,353,000 and HK\$1,722,000 respectively as at 31 December 2019.

Conditions precedent

Completion shall be conditional upon and subject to:

- (1) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Companies;
- (2) all necessary consents, licenses and/or approvals from the shareholders and regulators required to be obtained on the part of the Vendor and the Target Companies in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (3) all necessary consents, licenses and/or approvals from the shareholders and regulators required to be obtained on the part of the Purchaser in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

- (4) the representation and warranties given by the Vendor remaining true and accurate and not misleading in all material respects; and
- (5) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) and the change of premises to be used for keeping records or documents (if applicable) of the Target Companies having been obtained and not revoked, cancelled or lapsed.

Save that the Purchaser may at any time waive in writing the condition set out in (1) and (4) above, all other conditions set out above are incapable of being waived by either the Purchaser or the Vendor. If any of the conditions set out above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on 31 July 2020 or such later date as the Vendor and the Purchaser may agree in writing, the Vendor shall return the refundable deposits in the total amount of HK\$5,000,000 to the Purchaser (without interest) within three Business Days and the Acquisition Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Upon compliance with or fulfilment (or waiver) of all the conditions set out in the Acquisition Agreement, Completion shall take place on the Completion Date.

Upon Completion, the Purchaser will hold the entire issued shares in the Target Companies and the Target Companies will become indirect wholly-owned subsidiaries of the Company. Accordingly, the financial information of the Target Companies will be consolidated into the accounts of the Group.

INFORMATION ON THE TARGET COMPANIES

The Target Companies are incorporated in Hong Kong with limited liability and currently owned as to 90% by the Vendor and 10% by the Purchaser. As at the date of this announcement, (i) Goldenway Investments (HK) is licensed with the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 3 (leveraged foreign exchange trading) regulated activities under the SFO; and (ii) Goldenway Asset Management is licensed with the SFC to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The license for Type 3 (leveraged foreign exchange trading) regulated activities under the SFO shall be surrendered to the SFC prior to Completion.

Set out below is the financial information of Goldenway Investments (HK) for the two years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December 2018 (audited) <i>HK\$'000</i>	For the year ended 31 December 2019 (unaudited) <i>HK\$'000</i>
Loss before taxation	(160)	(26,727)
Loss after taxation	(160)	(26,727)
Net Assets	56,080	29,353

Note: An amount due from Vendor of approximately HK\$24,467,922 of Goldenway Investments (HK) was written off following the entering into of the Previous Acquisition Agreement and included into the statement of profit or loss and other comprehensive income for the year ended 31 December 2019 of Goldenway Investments (HK).

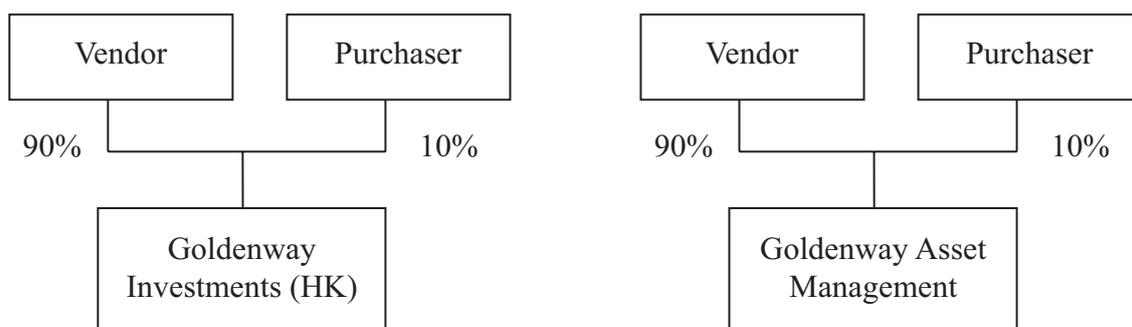
Set out below is the financial information of Goldenway Asset Management for the two years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December 2018 (audited) <i>HK\$'000</i>	For the year ended 31 December 2019 (unaudited) <i>HK\$'000</i>
Profit before taxation	615	257
Profit after taxation	514	264
Net Assets	1,458	1,722

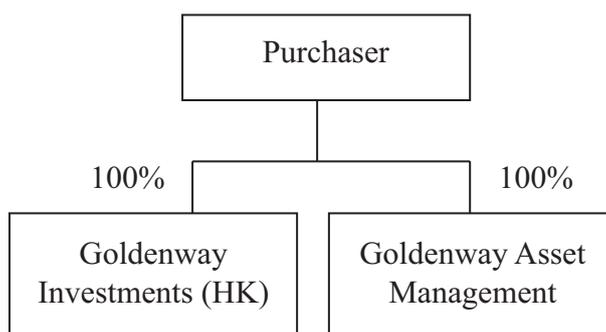
Structure of the Target Companies

The following charts show the group structure of the Target Companies (i) as at the date of this announcement; and (ii) immediately after Completion:

As at the date of this announcement



Immediately after Completion



REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE ACQUISITION AGREEMENT

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.

The Board considers that the Acquisition would enable the Group to diversify its existing business through direct investment in the Target Companies. Upon Completion, the Group would be able to attain the relevant SFC licenses to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in Hong Kong, which could create a synergy effect and complement the growth of the Group existing money lending and investment in securities businesses. The Group is expected to take advantage of the future growth in capital markets and to broaden the Group's revenue base.

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Acquisition (both on a standalone basis and when aggregated with the Previous Acquisition) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 23 January 2020 and entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares
“Board”	the board of Directors

“Business Day”	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout the normal working hours
“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 sale and purchase of the Sale Shares in accordance with the terms and conditions of the Acquisition Agreement
“Completion Date”	the date which is within 15 Business Days after the fulfillment (or waiver) of the conditions under the Acquisition Agreement, or such other date as the Vendor and the Purchaser may agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Goldenway Asset Management”	Goldenway Asset Management Limited, a company incorporated in Hong Kong with limited liability
“Goldenway Asset Management Sale Shares”	268,200 ordinary shares of Goldenway Asset Management representing 90% of the issued shares of Goldenway Asset Management
“Goldenway Investments (HK)”	Goldenway Investments (HK) Limited, a company incorporated in Hong Kong with limited liability
“Goldenway Investments (HK) Sale Shares”	51,300,000 ordinary shares of Goldenway Investments (HK), representing 90% of the issued shares of Goldenway Investments (HK)
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Acquisition”	the acquisition of 10% of the issued shares in the Target Companies by the Purchaser from the Vendor pursuant to the terms and conditions of the Previous Acquisition Agreement
“Previous Acquisition Agreement”	the agreement dated 4 December 2019 and entered into between the Purchaser and the Vendor in relation to the sale and purchase of 10% of the issued shares in the Target Companies
“Purchaser”	Bloom Team Development Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Shares”	collectively, Goldenway Investments (HK) Sale Shares and Goldenway Asset Management Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”	collectively, Goldenway Investments (HK) and Goldenway Asset Management
“Vendor”	Goldenway Investments Holdings Limited, a company incorporated in Hong Kong with limited liability
“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, 23 January 2020

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Tsai Wallen, Mr. Lau Ka Ho and Mr. Chan Hoi Tik; (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