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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 PROVISION OF FINANCIAL ASSISTANCE TO INDEPENDENT THIRD PARTY

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 5 June 2020, the Lender entered into the Revolving Loan Agreement with the Borrower, the Independent Third Party, pursuant to which the Lender agreed to grant the Facility up to HK\$20 million to the Borrower, bearing interest at a rate of 15% per annum, for a period of 12 months from the date of the Revolving Loan Agreement. The revolving loan is secured by the Properties.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the making of the revolving loan exceeds 5% but all the percentage ratios are less than 25%, the grant of the revolving loan constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

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The principal terms of the Revolving Loan Agreement are summarised as follows:

THE REVOLVING LOAN AGREEMENT

Date: 5 June 2020

Lender: Queen's Finance Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance.

Borrower: LUO WEIHONG

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower is an Independent Third Party.

Security: A first legal mortgage in respect of five residential properties (the "**Properties**") located in Philippines with valuation conducted by an independent property valuer on 2 June 2020 with an amount of not less than PHP185,840,000 (equivalent to approximately HK\$28.6 million).

The Properties are jointly owned by the Borrower and the Chargor.

Principal amount: up to HK\$20,000,000

Available Period: Twelve months from the date of the Revolving Loan Agreement

Interest: Interest on each Advance shall accrue at a rate of 15% per annum and shall be paid on a quarterly basis

Repayment: The Borrower shall repay all Advances together with outstanding accrued interest thereon on 4 June 2021, being the last day of the Available Period of the revolving loan.

Early Repayment: The Borrower may, at any time by notice in writing to the Lender, repay all or part of the Advances and all accrued interests in respect of the sum repaid before the last day of the Available Period of the revolving loan.

Re-borrowing: The Borrower may during the Available Period re-borrow in whole or in part the Advance prepaid in accordance with the terms and conditions of the Revolving Loan Agreement provided that, among others, the amount re-borrowed does not exceed the Available Facility

INFORMATION ON BORROWER AND CHARGOR

The Borrower is a merchant and the Chargor is a merchant and the spouse of the Borrower. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower and the Chargor are Independent Third Parties.

INFORMATION ON THE GROUP AND THE LENDER

The principal activity of the Company is investment holding. The Group principally engaged in the manufacturing and sale of personal care products, money lending, trading of commodities, investment in securities, properties holding, provision of food and beverage services, and provision of professional services such as fund setup and administration, legal and tax consultancy and co-ordination, corporate and accounting services, trust and fiduciary services.

The Lender 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 PROVISION OF THE REVOLVING LOAN

The terms of the Revolving Loan Agreement were negotiated on an arm's length basis between Queen's Finance and the Borrower, with reference to prevailing market interest rates and commercial practices. The Directors are of the view that the provision of the revolving loan is on normal commercial terms within the meaning of the Listing Rules. The Directors are of the view that the terms of the Revolving Loan Agreement was entered into on normal commercial terms based on the Group's credit policy. The Group has taken into account the market value of the mortgaged properties and the background and creditability of the Customer. Based on the foregoing and a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Revolving Loan Agreement are fair and reasonable and the entering into of the Revolving Loan Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the making of the revolving loan exceed 5% but all the percentage ratios are less than 25%, the grant of revolving loan constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Advance”	each borrowing of a portion of the Available Facility by the Borrower or, as the case may be, the principal amount of that borrowing or the re-borrowing of an Advance in accordance with the Revolving Loan Agreement
“Available Facility”	the undrawn and uncanceled balance of the maximum amount to be granted under the Facility
“Board”	the board of Directors
“Borrower”	LUO WEIHONG, being an individual and an Independent Third Party which entered into the Revolving Loan Agreement with Queen’s Finance
“Chargor”	the spouse of the Borrower, being an individual and an Independent Third Party
“Company”	Prosperous Future Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1259)
“Director(s)”	the director(s) of the Company
“Facility”	the revolving loan facility in the principal amount of up to HK\$20,000,000 granted to the Borrower under the Revolving Loan Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Philippines”	the Republic of the Philippines
“Philippine peso(s)” or “PHP”	Philippine peso(s), the lawful currency of Philippines
“Revolving Loan Agreement”	the revolving loan agreement dated 5 June 2020 entered into between the Lender and Borrower
“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” or “Lender”	Queen’s Finance Limited, an indirect wholly-owned subsidiary of the Company, being the lender under the Revolving Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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

Hong Kong, 5 June 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.

For the purpose of this announcement, unless the context otherwise requires, conversion of PHP into Hong Kong dollars is based on the approximate exchange rate of HK\$1.0 to PHP 6.495.