THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Future Development Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 5 to 20 of this circular. A notice convening the EGM to be held at Room Golden Bay, 2/F, Golden Bay Resort, 168 South Huandeng Road, (Huandeng Nan Lu), Dadeng Islands, Xiamen, Fujian Province, The People's Republic of China on Friday, 4 October 2019 at 9:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (i.e. at or before 9:00 a.m. on Wednesday, 2 October 2019 (Hong Kong time)) or at any adjourned meeting (as the case may be) should you so wish.

16 September 2019

CONTENTS

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

"Announcement"	the announcement of the Company dated 10 July 2019 in respect of, among other things, the entering into of the Disposal Agreement by the Company and the Purchaser
"Board"	the board of Directors
"Business Day(s)"	any day(s) (excluding Saturday, Sunday and public holiday in Hong Kong) on which licensed banks are generally open for business in Hong Kong
"BVI"	British Virgin Islands
"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
"Completion"	the completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
"Completion Date"	the date of Completion
"Conditions Precedent"	the conditions precedent for Completion as set out in the section headed "Conditions Precedent" in this circular
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration of HK$125 million for the Disposal pursuant to the Disposal Agreement
"Delay Despatch Announcements"	the delay despatch circular announcements of the Company dated 31 July 2019 and 23 August 2019
"Director(s)"	the director(s) of the Company
"Disposal"	the sale of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Disposal Agreement

"Disposal Agreement"	the conditional agreement dated 10 July 2019 and entered into between the Company and the Purchaser in relation to the sale and purchase of the Sale Shares
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Disposal Agreement and the transactions as contemplated thereunder
"Facility Agreement"	the facility agreement dated 27 February 2019 and entered into between the Company (as borrower) and the Purchaser (as lender) in relation a term loan facility of HK$100 million granted by the Purchaser to the Company
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Company"	Prince Frog (HK) Daily Chemicals Company Limited (青蛙王子(香港)日化有限公司), an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Land"	the parcels of land held by the WFOE at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the PRC with a total site area of approximately 40,473 sq.m.
"Latest Practicable Date"	11 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"MOU Announcement"	the announcement of the Company dated 25 June 2019 in respect of, among other things, the entering into of the non-legally binding memorandum of understanding on 25 June 2019 by the Purchaser and the Company
"Outstanding Loan"	all obligations, liabilities and debts owing or incurred by the Company to the Purchaser on or at any time prior to the Completion under the Facility Agreement
"PRC"	the People's Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Properties"	collectively, a warehouse, a research and development centre and dormitories and other buildings and structures erected on the Land which the WFOE has the right to occupy, use, dispose of and benefit
"Purchaser"	Frankinton Technology Limited, an investment holding company incorporated in Hong Kong with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	the entire issued share capital in the Target Company held by the Company as at the date of the Disposal Agreement
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Golden Virtue Investment Holdings Limited, a company incorporated in the BVI with limited liability

"Target Group"	collectively, the Target Company, the Hong Kong Company and the WFOE
"Valuer"	B.I. Appraisals Limited, an independent professional valuer
"WFOE"	青蛙王子（中國）日化有限公司 (Frog Prince (China) Daily Chemicals Co., Limited*), a property holding company established in the PRC with limited liability and is wholly-owned by the Hong Kong Company
"%"	per cent.

For the purpose of this circular, unless the context otherwise requires, conversion of RMB into Hong Kong dollars is based on the approximate exchange rate of RMB1.0 to HK$1.127

* For identification purpose only. The English transliteration of the Chinese name(s) in this circular, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s). In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

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)

Executive Directors:
Mr. Tsai Wallen *(Chairman)*
Mr. Chau Ling *(Chief Executive Officer)*
Mr. Lau Ka Ho *(Chief Financial Officer)*

Non-executive Director:
Mr. Li Zhouxin

Independent non-executive Directors:
Ms. Chan Sze Man
Mr. Ma Kwun Yung Stephen
Ms. Bu Yanan

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
Room 2005-2006
Kinwick Centre
32 Hollywood Road
Central
Hong Kong

16 September 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the MOU Announcement, the Announcement and the Delay Despatch Announcements. On 10 July 2019 (after trading hours of the Stock Exchange), the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Sale Shares at the total consideration of HK$125 million. The Consideration shall be satisfied on the Completion Date by (i) an amount equivalent to the Outstanding Loan to be offset on a dollar-for-dollar basis; and (ii) the balance upon the above offset to be paid by the Purchaser in cash to the Company.

The Disposal constitutes a major transaction for the Company which is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Agreement and the transactions contemplated thereunder; (ii) financial information of the Group; (iii) valuation report on the Land and the Properties; and (iv) the notice of the EGM.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are summarized as follows:

Date: 10 July 2019 (after trading hours of the Stock Exchange)

Parties:

(i) Vendor: the Company

(ii) Purchaser: Frankinton Technology Limited

Subject matter

The Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, free from all encumbrances together with all rights attaching thereto on or after Completion.

As at the Latest Practicable Date, the Target Group is the sole owner of the Land and the Properties. Further details of the Target Group are set out in the section headed "Information on the Target Group" in this circular.

Facility Agreement

On 27 February 2019, the Company (as borrower) and the Purchaser (as lender) entered into the Facility Agreement pursuant to which the Purchaser has agreed to grant a term loan facility of HK$100 million to the Company. Since the date of the Announcement, a loan of approximately HK$30.0 million pursuant to the Facility Agreement has been further drawn down by the Group. As at the Latest Practicable Date, the outstanding principal amount and interest accrued under the Facility Agreement was approximately HK$82.5 million and approximately HK$958,000 respectively.

Pursuant to the Disposal Agreement, part of the Consideration for the Disposal shall be offset against the Outstanding Loan owing to the Purchaser by the Company on the Completion Date.

Consideration

The total consideration for the sale and purchase of the Sale Shares is HK$125 million, which shall be satisfied in the following manner on the Completion Date:

(i) an amount equivalent to the Outstanding Loan shall be satisfied by the Purchaser offsetting against the Outstanding Loan on dollar-for-dollar basis; and

(ii) the balance shall be paid to the Company by the Purchaser in cash.

The Consideration was arrived at arm's length commercial negotiations between the Purchaser and the Company and was determined with reference to, among others, (i) the unaudited consolidated net asset value of the Target Group of approximately RMB93.72 million (equivalent to approximately HK$105.62 million) as at 30 April 2019 (the "**Target Group NAV**"); (ii) the valuation (the "**Valuation**") prepared by the Valuer showing the value of the Land and the Properties as at 30 June 2019 being RMB134.4 million (equivalent to approximately HK$151.47 million) under the investment method; (iii) the reasons for and benefits of the Disposal as stated under the section headed "Reasons for and benefits of the Disposal" in this circular; (iv) the Consideration represents a premium of approximately 18.34% and 8.98% over the Target Group NAV and the Adjusted Target Group NAV (as defined below) respectively; and (v) the Target Group having reported losses before taxation for the years ended 31 December 2017 and 2018. In view of the above, the Directors consider that the Consideration is fair and reasonable.

The Valuer has adopted the investment method by capitalizing at market-derived yields (i.e. rates of return) of the rental incomes derived from existing tenancies with due allowance for the reversionary potential of the properties. For those portions that are either owner-occupied or vacant as at the date of the Valuation, the Valuer has valued by capitalizing the hypothetical rental income based on the current market rent at the market-derived yield, assuming that they are capable of being leased in existing state with the benefit of vacant possession and under typical lease terms. The investment method is one of the three generally accepted methods in estimating the market value of real estate and is typically used for valuing properties where a tenant is providing the landlord with an investment return on his capital cost.

As set out in the valuation report in Appendix II of this circular, the monthly rent is to be settled by deducting the rent payable from the payment for goods payable to the lessee and/or cash by the lessee. Prior to the completion of the Group Restructuring (as defined below), some products of the Personal Care Business (as defined below) were supplied by the lessee to the WFOE, such supply of goods were offset against the rental payable by the lessee. The monthly rental rate was determined by arm's length negotiation between the Target Company and the lessee, with reference to the then prevailing market rate.

Detailed calculation of the Consideration and reconciliation from the Target Group NAV to Consideration

The Valuer was engaged by the Company to conduct the Valuation for the purpose of further assessing the fairness and reasonableness of the Consideration for the Target Group as the Land and the Properties serve as the major assets of the Target Company. The Valuation as at 30 June 2019 assessed by the Valuer was RMB134.4 million (equivalent to approximately HK$151.47 million).

The calculation of the Consideration at the time when the Disposal Agreement was entered into is set out below:

(i) The Target Group NAV of approximately RMB93.72 million as at 30 April 2019 as per the unaudited accounts and subtracting the carrying amount of the Land and the Properties held by the Target Group as at 30 April 2019 as per the unaudited accounts of approximately RMB126.35 million to arrive at approximately RMB32.63 million for the adjusted net liabilities value of the Target Group as at 30 April 2019;

(ii) adding approximately RMB134.4 million which represented the aggregate of the fair values of the Land and the Properties then held by the Target Company as per the Valuation to arrive at approximately RMB101.78 million on the entire equity interest of the Target Group; and

(iii) The Consideration of HK$125 million (equivalent to approximately RMB110.91 million) represents a premium of approximately 8.98% over the entire equity interest of the Target Group of approximately RMB101.78 million.

Set out below is the reconciliation statement from the adjusted net asset value of the Target Group to Consideration:

	RMB'000 *Approximately*
Net assets of the Target Group as at 30 April 2019 as per the unaudited accounts	93,721
Less: Carrying value of the Land and the Properties as at 30 April 2019 as per the unaudited accounts	(126,346)
	(32,625)
Add: Fair value of the Land and the Properties as at 30 June 2019 as per the valuation report	134,400
Adjusted net asset value of the Target Group attributable to the Disposal (the "**Adjusted Target Group NAV**")	101,775
Consideration	110,914
The premium of the Consideration over the Adjusted Target Group NAV	8.98%

Conditions Precedent

Completion is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

(a) the Purchaser being reasonably satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Group;

(b) all necessary consents, authorisations, licences and approvals required to be obtained on the part of the Company in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(c) all necessary consents, authorisations, licences and approvals required to be obtained on the part of the Purchaser in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect; and

(d) the passing by the Shareholders at the EGM to be convened and held of an ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

The Purchaser may at any time waive in writing the Condition Precedent set out in (a) above. If the above Conditions Precedent have not been satisfied (or, as the case may be, waived by the Purchaser) at or before 4:00 p.m. on 31 October 2019 or such later date as the Company and the Purchaser may agree, the Disposal Agreement shall cease and determine and thereafter neither party thereto shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Completion

Completion shall take place on the tenth Business Day following the day when all the Conditions Precedent have been fulfilled (or, as the case may be, waiver by the Purchaser).

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company. The principal business of the Target Company is investment holding.

The Hong Kong Company is wholly-owned by the Target Company, which is an investment holding company incorporated in Hong Kong with limited liability.

The WFOE is currently a property holding company which was established as a wholly foreign owned enterprise under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of the Hong Kong Company. Its major assets are the Land and the Properties, which comprise of the parcels of land with a total site area of approximately 40,473 sq.m., together with facilities thereon with gross floor area of approximately 57,462 sq.m.. According to the Valuation prepared by the Valuer, the market value of the Land and the Properties as at 30 June 2019 is RMB134.4 million (equivalent to approximately HK$151.47 million) under the investment method.

The principal business of the WFOE is the holding of the Land and the Properties (the "**PRC Property Investment Holding**"), whereas none of the other principal businesses of the Group is currently operated under the structure of the Target Group. Although the revenue of the Target Group accounted for approximately 78.9% and approximately 30.3% of the Group's revenue for the years end 31 December 2017 and 2018 respectively, the manufacturing and sale of personal care products business (the "**Personal Care Business**"), being one of the principal businesses as set out in the annual report of the Company for the year ended 31 December 2018 (the "**Annual Report 2018**"), is currently operated under the Group's other subsidiaries. Hence, the business operations of the Personal Care Business will not be adversely and unduly affected and the financial results of operations of the Personal Care Business will continue to be consolidated into the Group upon Completion.

The Personal Care Business refers to the Original Equipment Manufacturer (the "**OEM**") business of the Group which produces personal care products (include skin care, baby and hair care) on behalf of other companies for resell and branding, while the principal business of the Target Group is the PRC Property Holding Investment.

The restructuring was the diverging strategy adopted by the Company in 2017 and the group restructuring (the "**Group Restructuring**") was fully completed by June 2018 by splitting the PRC Property Investment Holding and the Personal Care Business into a separate corporate structure under the Group to allow the Company to enhance internal monitoring of the efficiency and effectiveness on internal resources of the Group. In view of the challenges on increasing labour cost and material cost in the PRC manufacturing industry coupled with a rocketed property price in the PRC in 2017, the Company decided to have a clear delineation between the Personal Care Business and the PRC Property Investment Holding for greater transparency and a clearer corporate structure for financial management. As a portion of the Properties has been leased to an associate of the Group and Independent Third Parties which generates annual rental income to the Group, and there was a substantial appreciation in the fair value of the Land and the Properties since the completion of development of the Land and the Properties in 2011 to 2013, the Company would like to closely monitor both the rental return rate and the market value of the Land and the Properties under the prevailing market situations.

The Group Restructuring was conducted by the WFOE entering into restructuring agreements (the "**Restructuring Agreements**") in April 2018 with 青蛙王子(福建)嬰童護理用品有限公司 (Frog Prince (Fujian) Child Care Co., Limited*) ("**Frog Prince (Fujian)**"), which was established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, pursuant to which WFOE transferred the production facilities for the Personal Care Business i.e. the production plant and necessary accessories, and machinery and equipment and all its rights and obligations, and assets and liabilities related specifically to the production line of the Personal Care Business to Frog Prince (Fujian) (except for the Land and the Properties and the associated borrowings, which were retained by the Target Group). Following completion of the Group Restructuring, the Target Group ceased its operations in the Personal Care Business and is currently engaging in the PRC Property Investment Holding only.

Since historically the principal activities and net assets of the Target Group were all attributable to the Personal Care Business, no segregation of financial information was necessary for the Land and the Properties. By June 2018, the legal ownership of the Personal Care Business was transferred to Frog Prince (Fujian). Such presentation of financial information changed upon completion of the Group Restructuring as the Personal Care Business became distinct and separate from the PRC Property Investment Holding. Upon completion of the Group Restructuring and the segregation of the financial information, the respective segment would only reflect those financial information relevant to each of the Personal Care Business and the PRC Property Investment Holding in particular, the assets and liabilities as well as the income and expenses directly attributable to the respective segment which will allow the management of the Group to enhance the internal monitoring of the efficiency and effectiveness on internal resources of the Group.

Set out below is the financial information of the Target Group as extracted from its unaudited financial statements prepared under generally accepted accounting principles of the PRC for the two financial years ended 31 December 2017 and 2018:

	For the year ended 31 December 2017 (unaudited) *RMB'000* *Approximately*	**For the year ended 31 December 2018** (unaudited) *RMB'000* *Approximately*
Revenue	627,803	191,168
Loss before taxation	399,106	551,195
Loss after taxation	398,832	551,195

As at 30 April 2019, the unaudited consolidated net asset value of the Target Group was approximately RMB93.72 million (equivalent to approximately HK$105.62 million).

The financial information of the Target Group for the two financial years ended 31 December 2017 and 2018 were both loss making and the Group Restructuring was completed by June 2018. Since the Group Restructuring has not been completed in 2017, the financial performances and position of the Target Group mainly represented the results of business segment of the Personal Care Business. There was a substantial net loss after taxation of the Target Group for the financial year ended 31 December 2017, which included an impairment loss on property, plant and equipment of approximately RMB38.5 million.

As the Group Restructuring was completed by June 2018, the financial performance of the Target Group for the year ended 31 December 2018 had reflected financial performances of the Personal Care Business in the first half of 2018. The major reason for the loss of the Target Group was due to an impairment loss of the property, plant and equipment. For the purpose of preparation of annual report of the Company for the year ended 31 December 2018, following a review of the Group's businesses, the Company conducted impairment assessment of the Target Group's property, plant and equipment and concluded that impairment loss of approximately RMB160.4 million is required to be made. The amount of impairment loss was ascertained based on the fair value of the property, plant and equipment less costs of disposal and having made reference to their estimated sale prices valued by external independent valuer.

As the Land and the Properties are the major assets of the Target Group which contributed to the majority of the impairment losses on property, plant and equipment of the financial performance of the Target Group, the Board considered the significant impairment losses adversely affected the financial performances of the Group which did not meet the Board's expectation. Although the impairment losses are non-cash in nature and would not have material adverse impact on the future cash flows of the Group, the Board considered that (i) the fair value of the Land and the Properties may depreciate over time; (ii) it is the right time to take advantage of the relatively high prevailing property price in the PRC; and (iii) the Disposal will enable the Group to offset the Outstanding Loan whilst increasing its working capital, and will improve the liquidity and strengthen the overall financial position of the Group.

As set out in the valuation report in Appendix II of this circular, the buildings of the industrial complex include 4 blocks of 1 to 6-storey building completed in the period between 2011 to 2013, used as a warehouse, a workshop/research and development centre and two dormitories, having a total gross floor area of approximately 54,879.29 sq.m. Details of the gross floor area breakdown are listed as follows:

Building	**Approximate Gross Floor Area** *(sq.m.)*
No. 2 Workshop (warehouse)	7,889.25
No. 3 Workshop/Research and Development Centre*	36,130.74
Nos. 1 & 2 Dormitory	10,859.30
Total :	**54,879.29**

(excluding 2,582.85 sq.m. for basement, which has not been taken into account in the plot ratio calculation)*

No. 2 workshop (warehouse) is a small warehouse for temporary storage of personal care products for customers. Such customers who place orders with the Group would need to provide the delivery details, including the types and quantity of goods, and the designated address for delivery. No. 3 workshop/research and development centre is used by the Group to conduct research and development work for the Personal Care Business, which mainly comprises of work spaces for designing the Group's personal care products, and office use premises i.e. providing customer services of receiving orders and issuing invoices.

Regarding the current status of the building, (i) a portion of no. 2 workshop (warehouse) and no. 3 Workshop/research and development centre of approximately 8,300 sq.m. has been leased to an associate of the Group, namely Fujian Herun Supply Chain Management Co., Ltd. (福建和潤供應鏈管理有限公司) ("**Fujian Herun**") with an aggregate annual rental fee of approximately RMB966,600 per annum, exclusive of water, electricity charges and other utilities (if applicable); and (ii) a portion of no. 2 workshop (warehouse) and no. 3 workshop/research and development centre of approximately 6,000 sq.m. has been leased to Independent Third Party with an aggregate annual rental fee of approximately RMB396,000 per annum, exclusive of water, electricity charges and other utilities (if applicable).

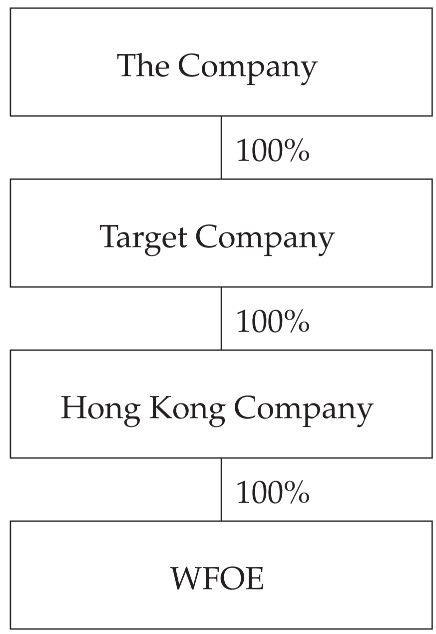
The majority portion of nos. 1 & 2 dormitory are currently used by the Group as workers' dormitory which the Group provides this dormitory accommodation for free to its workers in plants manufacturing personal care products. Currently, the Group was able to house its workers within its dormitory at that building. The remaining portion of nos. 1 & 2 dormitory have been leased to Independent Third Parties with an aggregate annual rental fee of approximately RMB103,000, exclusive of water, electricity charges and other utilities (if applicable). Other land area approximately 60 sq.m. has been leased to Independent Third Party with an aggregate annual rental fee of approximately RMB36,000 per annum, exclusive of water, electricity charges and other utilities (if applicable).

As at the Latest Practicable Date, an aggregate gross floor area of approximately 12,230 sq.m. of the Land and the Properties is currently used by the Group, including but not limited to, warehouse, research and development centre and dormitory, which are non-core assets to the Group and are not crucial to the operation of the Personal Care Business. The warehouse is a small warehouse for temporary storage of products of the Personal Care Business for customers and the research and development centre is used by the Group to conduct research and development work for the Personal Care Business.

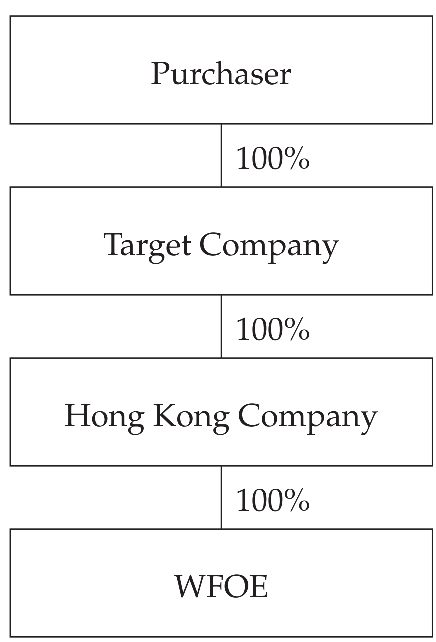
Furthermore, the Group has entered into a leasing agreement in order to lease back a portion of the Properties, which is a total gross floor area of approximately 11,270 sq.m., for a term of 3 years for its continued use (while the remaining portion of 960 sq.m. used by the Group has lease agreements until 30 April 2021 and 31 December 2021), and the annual rental expenses will be approximately RMB676,200. Hence, the Disposal will only not have any material impact on the Group's operations. In terms of the impact on its costs and expenses, whilst the Group will pay an annual rental expenses of only approximately RMB676,200 under the leasing agreement.

Shareholding structure of the Target Group

(a) Below is the shareholding structure of the Target Group as at the date of the Disposal Agreement and the Latest Practicable Date:



(b) Below is the shareholding structure of the Target Group upon Completion:



INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong and is principally engaged in investment of private equity and property.

As at the Latest Practicable Date, the Purchaser does not hold any equity interest in the Target Company. The entire issued share(s) in the Purchaser is held by Mr. Wong Dik Man Alex as a nominee for Noah Trust (Asia) Limited, which in turn acts as trustee of L & P Capital Fund (the "**Fund**"). The Fund is a unit trust governed by the laws of Hong Kong and the sole unitholder of the Fund is Swiss Life (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability. Swiss Life (Singapore) Pte. Ltd. is wholly-owned by Swiss Life International Holding AG, a company incorporated in Switzerland with limited liability. Swiss Life International Holding AG is wholly-owned by Swiss Life Holding AG, a company incorporated in Switzerland with limited liability, the shares of which are listed on the SIX Swiss Exchange (Stock Code: SLHN:SW). BC Global Asset Management Limited had been appointed as the manager of the Fund (the "**Manager**"). The Manager was incorporated in Hong Kong and licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The Manager will be responsible for, among other things, managing the Fund's investments and related affairs.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser, its ultimate beneficial owners and the Manager are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

As stated in the Annual Report 2018, the Group will continue to strengthen, develop and diversify its business portfolio and to further establish a sustainable investment portfolio. The Board considered that financial performance of the Target Group had not been meeting expectation of the Board. The Company has been streamlining its operation and striving for a stronger financial position with lighter asset operations and lower gearing ratio, richer liquidity and better return on assets. By way of adopting such a lighter asset model, the Group would be able to improve its operational flexibility, reduce its debts, and minimise any adverse impact on the existing operation instantly.

References are made to the circular of the Company dated 30 April 2019 (the "**Major Transaction Circular**") in relation to the acquisition of 80% of the entire issued share capital of Real Power International Group Limited by the Company (the "**Major Acquisition**") and the announcement of the Company dated 24 May 2019.

As set out in the Major Transaction Circular, although the Company did not enter into any agreement, arrangement or undertaking, and had no intention to dispose and/or downsize of its existing businesses and material operating assets as at 26 April 2019 (being the latest practicable date of the Major Transaction Circular), the Company has been prudently monitoring its business operation and looking for a stronger financial position with lighter asset operations and lower geared structure in order to cope with the slowdown of the PRC's economic growth, which has a materially adverse impact on the traditional manufacturing business of the Group.

On 24 May 2019, Mr. Lau Ka Ho ("**Mr. Lau**") was appointed as the executive Director and Chief Financial Officer. With a clear and distinct division of responsibilities among each Director, Mr. Lau was assigned with the primary responsibility for managing the Company's finances, including financial planning, management of financial risks and financial reporting. Mr. Lau has expertise in this particular area and possesses more than 10 years of experience in corporate management, corporate finance and corporate secretarial areas.

Following the appointment of Mr. Lau as the executive Director and Chief Financial Officer on 24 May 2019, Mr. Lau has conducted a more comprehensive review on the financial position of the Company and proposed to the executive committee (the "**Executive Committee**"), which was established by the Company on 24 May 2019 for overseeing and making recommendations to the Board as to the operation of the Company's business including strategic plan and investment plan, if a good opportunity arises, the Group should consider to realise capital gains from its investments in the Land and the Properties, to streamline the Group's operation with light asset operation and to lower its gearing ratio. By so doing, the Group could fully offset the Outstanding Loan (including the incurred interest) and take advantage of the relatively high prevailing property price of the PRC property market. Further, businesses are constantly seeking new and innovative ways to operate more effectively and efficiently. Asset-heavy business model may tie up significant capital and frequently prove less flexible in a fast-changing environment. By contrast, asset-light business model confers greater flexibility to the Group.

Reference is also made to the announcement of the Company dated 23 August 2019 in relation to the proposed disposal of the online platform business (the "**Proposed Disposal**"). Amid the discussion in the Executive Committee, the Directors were also of the view that the financial performance and business prospect of the online platform business over the recent two years have been disappointing with a significant decline in the revenue growth as measured by revenue from displaying advertisements to the users of online platforms operated by the Group and revenue from marketing services provided by the Group. As set out in the Annual Report 2018, the online platform business contributed a total revenue of approximately RMB11.5 million to the Group, representing a decrease of about 45.3% over the same period of last year, and recorded a profit of approximately RMB8.1 million, representing a substantial decrease of about 50.7% over the same period of last year. In light of the arisen of other reputed online platforms and the continued slowdown in the PRC economy, the Directors are even more pessimistic with the forecasted revenue for the Online Platform Business for the financial year ended 31 December 2019. As mentioned above, the Company has been streamlining its operation and looking for a stronger financial position and lower geared structure, rich of liquidity and better return on assets.

With the approval of the Executive Committee (which consists of Mr. Tsai Wallen, Mr. Chau Ling and Mr. Lau, who are all executive Directors) for making the recommendation of the Disposal to the Board, the Directors are of the view that (i) the Disposal presents an optimum opportunity for the Group to realise cash and unlock the value of its investment in the Land and the Properties, as well as offsetting the Outstanding Loan and by way of adopting such light asset model; and (ii) the current market presents an optimum opportunity for the Group to realise cash and unlock the value of its investment in the online platform business through the Proposed Disposal.

Although there was no significant change in the financial position of the Group since the completion of the Major Acquisition, the Board agreed with the business plan of the Disposal proposed by Mr. Lau and considered that it is the right time for the Group to start pursuing an asset-light operating model. By leasing back some of the production facilities of the Personal Care Business and realising the capital gain of the Land and the Properties, a light asset model does not require large capital investment of physical assets and allows the company to focus its limited resources on achieving the best returns by running its operations efficiently. In addition, the Board considered that the Group can focus resources on the most profitable business segments of the Group to improve profitability upon Completion.

The net proceeds from the Disposal, after deducting the estimated expenses, shall be approximately HK$41.4 million. The Company plans to apply not less than approximately HK$15.4 million for general working capital for staff cost, rental expenses, legal and professional expenses and general office expenses. The remaining balance of approximately HK$26.0 million will be used as expansion in the money lending business of the Group. However, in case of new investment and business opportunities are identified, other than the potential investments as mentioned above, the net proceeds from the Disposal may be applied to other business opportunities for efficient allocation of resources. Accordingly, the Disposal will enable the Group to increase its working capital, and will improve the liquidity for any potential business development.

The terms of the Disposal Agreement were arrived at after arm's length negotiation between the Company and the Purchaser and the Directors consider that the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Following Completion, the Target Group will cease to be subsidiaries of the Company and the financial results of the Target Group will cease to be consolidated into those of the Company.

It is expected that the Group will record an unaudited gain before taxation on the Disposal of approximately HK$18.28 million, which is calculated based on the total Consideration less (i) the net asset value of the Target Group as at 30 April 2019; and (ii) the related costs and expenses of the Group for the Disposal. However, the actual amount of the gain on the Disposal to be recognised by the Group will depend on the net asset value of the Target Group as at Completion. Hence, the exact amount of the net gain on the Disposal can only be determined at the Completion Date.

LISTING RULES IMPLICATION

As more than one of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Set out from pages EGM-1 to EGM-2 of this circular is the notice of the EGM containing, inter alia, the resolution approving the Disposal Agreement and the transactions contemplated thereunder.

To the best knowledge of the Directors after making all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution approving the Disposal. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution to be proposed at the EGM will be taken by poll, the results of which will be announced after the EGM.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the same to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and, in any event no later than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 9:00 a.m. on Wednesday, 2 October 2019 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that the terms of the Disposal Agreement were arrived at after arm's length negotiation between the Company and the Purchaser and the Directors consider that the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution in the terms as set out in the notice of the EGM

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of the EGM.

Yours faithfully
For and on behalf of the Board
Future Development Holdings Limited
Tsai Wallen
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31 December 2018 and the interim results announcement of the Company for the six months ended 30 June 2019, together with the accompanying notes to the financial statements, are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.princefrog.com.cn/):

Interim results for the six months ended 30 June 2019 (pages 2 to 19):
https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0830/ltn201908301254.pdf

Annual report for the year ended 31 December 2018 (pages 68 to 201):
https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn20190429015.pdf

Annual report for the year ended 31 December 2017 (pages 66 to 177):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0424/LTN20180424415.pdf

Annual report for the year ended 31 December 2016 (pages 83 to 170):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0426/LTN20170426637.pdf

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 July 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group comprises the following:

	As at 31 July 2019
	RMB'000
Unsecured and guaranteed:	
Bank borrowings	55,000
Secured and guaranteed:	
Other borrowings	159,269
Unsecured and unguaranteed:	
Other borrowing	10,000
Promissory notes	13,632
Total borrowings	237,901

	As at 31 July 2019
	RMB'000
The amounts of borrowings are repayable as follows:	
On demand or within one year	237,901

As at 31 July 2019, the bank borrowings of approximately RMB55,000,000 were guaranteed by the suppliers of the Group, and the other borrowings to the extent of approximately RMB142,559,000 was secured by the entire equity interest of subsidiaries of the Company with the remaining balance of approximately RMB16,710,000 secured by an investment property of the Group.

As at 31 July 2019, the lease liabilities, as lessee, leases of land and buildings accounted for by the Group in accordance with IFRS 16 "Lease", amounting to RMB1,576,000 in aggregate, which are secured by rental deposits and unguaranteed.

Save as aforesaid and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as at the close of business on 31 July 2019, the Group did not have any loan capital in issue and outstanding or agreed to be issued, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, guarantees, or other material contingent liabilities.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, taking into account the existing banking and other borrowing facilities available, the existing cash and bank balances and the effect of the Disposal, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that save for the disclosures made in the profit warning announcement dated 31 August 2019 and the interim results announcement dated 30 August 2019 for the six months ended 30 June 2019, at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As set out in the Annual Report 2018, revenue of the Group amounted to approximately RMB631.22 million for the year ended 31 December 2018. Net loss after taxation for the year ended 31 December 2018 was approximately RMB438.96 million. Total assets and total equity amounted to approximately RMB1,275.30 million and RMB847.23 million, respectively as at 31 December 2018.

The Group has been reassessing its assets portfolio to realise the value of existing assets as this will allow the Group to closely monitor the market situations and trends, and will continue to strengthen its business operations with an aim of maximizing the investment returns for its Shareholders. The Board considered that financial performance of the Target Group had not been meeting expectation of the Board and the Target Group recorded losses attributable to the equity holders of the Target Group for the recent years despite the fact that the Group had been providing it with working capital. The Company has been streamlining its operation and striving for a stronger financial position with lighter asset operation and lower gearing ratio, richer liquidity and better return on assets. By way of adopting such light asset model, the Group would be able to improve its operational flexibility, reduce its debts, and minimise any adverse impact on the existing operation instantly.

In view of the loss-making financial results and unsatisfactory performance of the Target Group, the Board considered that the Disposal under the current market presents an optimum opportunity for the Group to realise in cash and unlock the value of its investment in the Land and the Properties, as well as to fully settle the Outstanding Loan. As a result, this could improve the Group's cash flow and reduce the Company's financial risk. Upon Completion, as the Target Group cease to be subsidiaries of the Company, the Group will no longer hold the Land and the Properties in its investment portfolio. The net proceeds from the Disposal, after deducting the estimated expenses, shall be approximately HK$41.4 million. The Company plans to apply not less than approximately HK$15.4 million for general working capital for staff cost, rental expenses, legal and professional expenses and general office expenses. The remaining balance of approximately HK$26.0 million will be used as expansion in the money lending business of the Group. However, in case of new investment and business opportunities are identified, other than the potential investments as mentioned above, the net proceeds from the Disposal may be applied to other business opportunities for efficient allocation of resources.

As stated in the announcement of the Company dated 23 August 2019, the Company entered into the disposal agreement with Billionaire Asia Limited ("**Billionaire Asia**") pursuant to which the Company has agreed to sell and Billionaire Asia has agreed to acquire 51% of the issued shares in Marvel Paramount Holdings Limited ("**Marvel Paramount**") at a total consideration of HK$40,000,000 (the "**Proposed Disposal**"). Marvel Paramount and its subsidiaries are principally engaged in the operation of online platform, which comprises mainly income from display based and performance based advertisements and provision of marketing services (the "**Online Platform Business**"). The Company is of the view that the financial performance and business prospect of the Online Platform Business over the recent two years have been disappointing with a significant decline in the revenue growth as measured by revenue from displaying advertisements to the users of online platforms operated by the Group and revenue from marketing services provided by the Group. As set out in the Annual Report 2018, the Online Platform Business contributed a total revenue of approximately RMB11.5 million to the Group, representing a decrease of about 45.3% over the same period of last year, and recorded a profit of approximately RMB8.1 million, representing a substantial decrease of about 50.7% over the same period of last year. In light of increasing competition from other reputed online platforms and the continued slowdown in the PRC economy, the

Directors are even more pessimistic about the forecasted revenue for the Online Platform Business for the financial year ended 31 December 2019 and consider the Proposed Disposal is of the interest of the Company and the Shareholders.

As at the Latest Practicable Date, save for the Disposal and the Proposed Disposal, the Company had neither intention nor plan to enter into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation with an intention to downsize, cease or dispose of any of the Company's remaining businesses.

Assuming completion of the Disposal and the Proposed Disposal, the remaining businesses of the Group will be the Personal Care Business, money lending, trading of commodities, investment in securities, properties holding and investment holding and the provision of food and beverage services.

Personal Care Business

As at the Latest Practicable Date, the Group intends to continue with the Personal Care Business, which is one of the major sources of revenue to the Group. Nonetheless, the financial performance of the Personal Care Business has deteriorated sharply since 2015. Revenue of the Personal Care Business has decreased significantly from approximately RMB913.7 million for the year ended 31 December 2015 to approximately RMB396.1 million for the year ended 31 December 2018, representing a tremendous decrease of approximately 56.6%. The tremendous decrease is due to slowdown of economy in the PRC and the shift of spending habit of the consumers to e-commerce, and the Group's personal care products business changes from manufacturing to OEM which also resulted in decrease of the gross profit of personal care products.

Meanwhile, the manufacturing industry in the PRC has been facing challenges of increasing labour cost and material cost such that there has been an increasing trend of manufacturers relocating their businesses to lower cost regions such as the Southeast Asia in recent years. Amid the cautious business and economic environment, with concerns over (i) the surging operational costs in the PRC; (ii) the continuous trend of manufacturers relocating their production bases from PRC to South East Asia; and (iii) tariff retaliations arising from the escalating trade disputes between the United States and the PRC, the Group has been streamlining its operation and looking for a stronger financial position with lighter asset operation and lower geared structure, rich of liquidity and better return on assets.

Having considered (i) the overall deteriorating performance of the Personal Care Business in recent years; (ii) the heavy capital expenditure required to improve the production efficiency of the Personal Care Business; (iii) the increasing challenges in the manufacturing industry in the PRC; and (iv) the uncertainty on the global economies due to the tariff retaliations arising from the escalating trade disputes between the United States and the PRC, the Company will consider whether or not the Company shall still contribute more resources on the Personal Care Business in the future.

Money lending

Since the commencement of the money lending business in the fourth quarter of 2016, the Group's money lending business has grown in a rapid pace. As set out in the Annual Report 2018, the money lending business segment generated interest income of approximately RMB35.9 million for the year ended 31 December 2018, representing an increase of about 12.9% over the same period of last year as compared to the interest income of approximately RMB31.8 million for the year ended 31 December 2017, and recorded a segment profit of approximately RMB4.7 million for the year ended 31 December 2018, representing an increase of about 50.6% as compared to the segment profit of approximately RMB3.1 million for the year ended 31 December 2017.

As at 31 December 2018, the Group had outstanding (i) unsecured loan of approximately RMB62.5 million with average effective interest rate of approximately 35.5% per annum with terms ranging from 6 months to 120 months; and (ii) mortgage loan of approximately RMB108.4 million with average effective interest rate of approximately 17.5% per annum with terms ranging from 1 month to 240 months. The mortgage loans granted by the Group were typically secured by mortgages, charge on shares or charge on assets. In the event of default or failure to repay any outstanding amounts by the debtors, the Group has the right to proceed with sale of collaterals.

The money lending business has gradually grown at a stable pace with a relatively large loan portfolio. Borrowers have been carefully evaluated by the Group on, among other things, their repayment capability, professional background and financial status. However, the Company does not intend to further expand the personal loans and mortgage loans portfolio as a matter of risk management exercise. Nevertheless, the Group is currently exploring opportunities to expand its money lending business through participation of financial leasing business in the PRC, which the Directors considered the risk involved to be lower. As at the Latest Practicable Date, the Company has already set up a corporate structure and is currently in the course of internally discussing and planning for execution of such business plan. The Company has also approached potential strategic business partner(s), but no legally binding agreement(s) and/or contract(s) in relation to the business cooperation has been entered into by the Company.

Save for the participation of financial leasing business in the PRC as mentioned above, the Company has not identified any other potential business opportunities. In the event that the Company decides to allocate more resources to this new business opportunity in the future, the Company may further promote and provide such services to more customers to broaden the customer base and will continue to comply with all applicable Listing Rules in the future, as and when appropriate.

Trading of commodities

The Group's segment of trading of commodities contributed a total revenue of approximately RMB182.9 million to the Group for the year ended 31 December 2018, representing an increase of approximately 6.7% as compared to the revenue recorded for the year ended 31 December 2017 of approximately RMB171.4 million. The increase was mainly due to the increase in the transaction amount of the sale of electronic products and other electronic components to the electronic product distributors and retailers across the country. However, the business of trading of commodities recorded a loss of approximately RMB16.6 million for the year ended 31 December 2018.

The decrease in segment profit was primarily due to the fact that (i) the Group was unable to pass on all the increased purchase costs to customers owing to fierce competition and the decrease in average selling price of the electronic products; and (ii) the economy of the PRC remained challenging due to the slowdown of economic growth in the PRC. Besides, operating environment was unfavourable owing to the volatile global economy and weak demand from customers. The Company anticipates the trading of commodities industry will undergo a challenging environment and will continue to adopt stringent cost control measures instead of further enlarging the exposure of the trading of commodities business.

Investment in securities

As at 30 June 2019, the Group had a portfolio of securities investment of approximately RMB12.1 million and all of which were equity securities listed in Hong Kong and unlisted investment fund of approximately RMB23.5 million. The Company considers the overall performance of the Group's securities investment business was less than satisfactory. Notwithstanding that the stock market rebounded drastically in 2018, the Group had recorded an overall fair value loss of approximately of RMB74.9 million from the securities investment business and a realized loss on investments of RMB3.5 million for the year ended 31 December 2018. Furthermore, the Group continued to record a net unrealised loss of approximately RMB38.9 million and a net realised loss of approximately RMB4.4 million for the six months ended 30 June 2019. The Company may consider to further realize part or all of its investment in listed securities and private unlisted fund, depending on the stock market sentiment which in turn is expected to remain volatile and highly susceptible to constantly varying and unpredictable economic factors such as interest rate movements, economic performance, inflation and liquidity. The Company will closely monitor the financial market from time to time and may react promptly to capture such opportunities when the Company considers that the returns on investments are optimized.

Properties holding and investment holding

As at the Latest Practicable Date, the Group has invested in lands and the properties located in Yuen Long, Hong Kong and industrial properties located at Cheung Sha Wan, Hong Kong. The Group is optimistic about the development of property market in Hong Kong due to shortage in supply of land and therefore, has been identifying the potential property investment and development opportunities in Hong Kong. It is the current intention of the Company that the properties erected on all the lands in Yuen Long, Hong Kong held by the Group shall be demolished and such lands shall be redeveloped. Relevant applications have been made to the Hong Kong Government in relation to the redevelopment of the said lands. To the best knowledge, information and belief of the Directors, there is no legal impediment in obtaining the relevant approval from the Hong Kong Government. The Company is still waiting for the approval from the Hong Kong Government.

On the other hand, the Company intends to diversify its portfolio of property holding through investment in Southeast Asia market. The Company is of the view that the property market in Southeast Asia market is under relatively earlier stages of development compared with more developed countries and the Group could generate decent return from both rental income and asset value appreciation from its proposed property investments in such region. As at the Latest Practicable Date, the Company has not identified any potential projects and the Company will closely monitor any investment opportunities within Southeast Asia market.

Provision of food and beverage services

As mentioned in the circular of the Company dated 30 April 2019, the Board considered that there has been a high demand in Hong Kong's food and beverage service industry and the Directors are of the view that the acquisition of food and beverage services business by the Company allows the Group to further participate in the growth opportunities in the provision of food and beverage services in Hong Kong.

Following completion of the acquisition of food and beverage services business, the financial performance of the food and beverage services has been in a steady growth and future prospects of the Hong Kong's food and beverage service industry still remains promising. Although the food and beverage services industry is also affected by the PRC and local economic conditions, general employment levels and consumer spending patterns, the Group's provision of food and beverage services serve the local livelihood needs and is less reliant on the PRC market as compared to the Group's other business segments of Personal Care Product and trading of commodities. Most of the revenue from the food and beverage services is through wholesaling of frozen meats product to the existing customers of reputable branded chain-stores, hotel restaurants and supermarkets in Hong Kong. With the strong customer network, this provides the Group a stable revenue source so as to minimise the impact of economic fluctuations on the financial performance of the Group.

In addition, as set out in the announcement of the Company dated 19 July 2019, the Company has entered into a 5 years tenancy agreement with the landlord for renting a multi-storeyed container freight station for the purpose of developing the provision of frozen warehouse services business, which the Board believed that such service allows the Company to achieve a synergy effect with the food and beverage services business.

Given the slowdown of China's economic growth, the Company is prudent as to the utilization rate of production capacity of its plants manufacturing personal care products while the Company considers that an optimal investment strategy on the food and beverage services through expanding its business scale may maintain a steady business development of the Group.

As at the Latest Practicable Date, the Company intends to devote more resources into the food and beverage services and will continue to carry out financial review on the financial performances of the food and beverage services for seeking any business opportunities as and when it arises.

In view of the above, and given the fact that the Disposal will generate financial resources for the remaining Group and reduce its debts which allows the remaining Group to focus on its other business segments, the Directors are of the view that the financial and trading prospects of the remaining Group are optimistic.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from B.I. Appraisals Limited, an independent property valuer, in connection with its opinion of market value of the Property as at 30 June 2019.

B.I. Appraisals Limited
保柏國際評估有限公司
To Know Your Strength Better
Registered Professional Surveyors, Valuers & Property Consultants

22/F, China Overseas Building,
139 Hennessy Road, Wan Chai, Hong Kong
Tel (852) 2127 7762 Fax (852) 2137 9876
E-mail: info@biappraisals.com
http: // www.biappraisals.com

16 September 2019

Future Development Holdings Limited
Room 2005-2006, Kinwick Centre
32 Hollywood Road, Central
Hong Kong

For the Attention of the Directors

Dear Sirs/ Madams,

Re: Land and buildings held by 青蛙王子(中國)日化有限公司 at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the People's Republic of China ("**PRC**")

In accordance with the instructions from Future Development Holdings Limited (hereinafter collectively referred to as the "**Company**") for us to value the captioned property (hereinafter referred to as the "**Property**"), which is held by 青蛙王子(中國)日化有限公司, a wholly owned subsidiary of the Company (hereinafter collectively referred to as the "**Group**"), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the Property in existing state as at 30 June 2019 (hereinafter referred to as the "**Date of Valuation**").

It is our understanding that this valuation document is to be used by the Company for disclosure purpose in relation to a proposed disposal (hereinafter referred to as the "**Disposal**"). We further understand that our report is to be incorporated in a circular to be issued by the Company in relation to the Disposal.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "an estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been carried out in accordance with The HKIS Valuation Standards 2017 Edition issued by The Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

In valuing the Property, which is held partly for investment and partly for owner occupation, we have adopted the Investment Method by capitalizing at market-derived yields (i.e. rates of return) of the rental incomes derived from existing tenancies with due allowance for the reversionary potential of the Property. For those portions that are either owner-occupied or vacant as at the Date of Valuation, we have valued by capitalizing the hypothetical rental income based on the current market rent at the market-derived yield, assuming that they are capable of being leased in existing state with the benefit of vacant possession and under typical lease terms.

Investment Method is one of the three generally accepted methods in estimating the market value of real estate and is typically used for valuing properties where a tenant is providing the landlord with an investment return on his capital cost.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Property would be sold in the open market in existing state without the benefit of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangements that could affect the value of the Property. In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all ordinances, except only where otherwise stated. We have further assumed that all consents, approvals, required licences, permits, certificates and authorizations have been obtained, except only where otherwise stated, for the use of the Property upon which our valuation is based.

TITLE INVESTIGATION

We have been provided by the Company with copies of title documents and a draft legal opinion dated 11 September 2019 prepared by 福建英合律師事務所 (Fujian Yinghe Law Firm), the Company's legal advisor on the PRC law (hereinafter referred to as the "**PRC Legal Advisor**"), regarding the title to and the interest in the Property. We have not inspected the original of the title documents to verify the ownership and to ascertain the existence of any amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only.

In the course of our valuation, we have relied on the advice given by the Company and the legal opinion of the PRC Legal Advisor regarding the title to and the interest in the Property. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title to the Property that is assumed to be good and marketable.

LIMITING CONDITIONS

We have inspected the exteriors and, where possible, the interior of the Property on 17 August 2019. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the Property. We are, therefore, unable to report whether the Property is free from rot, infestation or any other structural defects. Yet, in the course of our external inspection, we did not note any material defects.

We have not carried out investigations on site to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services etc. for any future development, nor have we undertaken environmental surveys. Our valuation is prepared on the basis that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the Property but have assumed that the areas shown on the copies of the documents furnished to us are correct. Dimensions, measurements and areas included in the valuation report attached herewith are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, completion date of the buildings, particulars of occupancy, tenancy details, uses of the Property, site and floor areas and other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

Our valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

This report and each part of it is prepared and intended for the exclusive use of the Company for the specific purpose hereinbefore stated. In accepting this report, the Company expressly agrees not to use or rely upon this report or any part of it for any other purpose without obtaining our prior written consent. No liability whatsoever will be accepted to any third party for the whole or any part of its contents.

CURRENCY

Unless otherwise stated, all monetary amounts stated in the valuation report attached herewith are in Renminbi (RMB).

REMARKS

We hereby confirm that we have neither present nor prospective interests in the Group, the Property or the value reported herein.

Our valuation report is enclosed herewith.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED

William C. K. Sham
Registered Professional Surveyor (G.P.)
Registered Business Valuer
China Real Estate Appraiser
MRICS, MHKIS, MCIREA
Executive Director

Notes:

1. Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 35 years' experience in the valuation of properties in Hong Kong and has over 25 years' experience in the valuation of properties in the PRC and the Asia Pacific region.

2. The Property was inspected by Mr. William C. K. Sham on 17 August 2019.

VALUATION REPORT

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 June 2019
Land and buildings held by 青蛙王子(中國)日化有限公司 at No. 8 Wuqiao Bei Road, Lantian Economic Development Zone, Longwen District, Zhangzhou City, Fujian Province, the PRC	The Property comprises four blocks of building erected on a site formed by two parcels of land with a total registered site area of approximately 40,473.40 sq.m. and located on the northern side of Wuqiao Bei Road within Lantian Economic Development Zone. The buildings of the industrial complex include 4 blocks of 1 to 6-storey building completed in the period between 2011 to 2013, used as a warehouse, a workshop/research and development centre and two dormitories, having a total gross floor area of approximately 54,879.29 sq.m. Details of the gross floor area breakdown are listed as follows: **Building** — **Approximate Gross Floor Area** *(sq.m.)* No. 2 Workshop (warehouse) — 7,889.25 No. 3 Workshop/Research and Development Centre* — 36,130.74 Nos. 1 & 2 Dormitory — 10,859.30 **Total : — 54,879.29** *(* excluding 2,582.85 sq.m. for basement, which has not been taken into account in the plot ratio calculation)* The land use rights of the Property have been granted for a term expiring on 25 February 2059 for industrial use.	As at the Date of Valuation, portions of the Property with a total gross floor area of approximately 16,972 sq.m. and a total land area of 60 sq.m. were subject to a services agreement and nine tenancies with the latest one due to expire on 30 November 2035 at a total rental/service charge income of RMB129,860 per month (see Note (5) below). The remaining portion of the Property was occupied by the Group for production use.	RMB134,400,000

Notes:

(1) Pursuant to a set of Certificate of Fixed Assets Ownership 閩(2016) 龍文區不動產權第0000330號 (Min (2016) Longwenyu Fixed Assets Ownership No. 0000330) dated 28 July 2016, the land use rights of the land area of 19,943.60 sq.m. together with three blocks of building having a total gross floor area of 18,748.55 sq.m. in the Property is vested in 青蛙王子(中國)日化有限公司 (its English transliteration being Frog Prince (China) Daily Chemicals Co., Limited, hereinafter referred to as "Frog Prince(China)".

(2) Pursuant to a set of Certificate of Fixed Assets Ownership 閩(2017) 龍文區不動產權第0001211號 (Min (2016) Longwenyu Fixed Assets Ownership No. 0001211) dated 20 April 2017, the land use rights of the land area of 20,529.80 sq.m. together with a block of building having a gross floor area of 36,130.74 sq.m. in the Property is vested in Frog Prince (China).

(3) It is stated in the abovementioned certificates that the land use rights of the Property are for a term expiring on 25 February 2059 for industrial use.

(4) We have been advised by the Company that Frog Prince (China) is an indirect wholly-owned subsidiary of the Company.

(5) We have been advised by the Company that the lease agreements/service contract include the following intra-group leases/service contract:

(a) Portion of No. 2 Workshop (Warehouse), having a floor area of 7,800 sq.m., is subject to a warehousing service contract in favour of 福建和潤供應鏈管理有限公司 (unofficially translated as Fujian Herun Supply Chain Management Co., Ltd., a 30%-owned associated company of the Company) for a term due to expire on 31 July 2019 for a service fee of RMB78,000 per month.

(b) Portion of Level 2 of No. 3 Workshop/Research and Development Centre, having a floor area of 800 sq.m., is leased to 青蛙王子(福建)嬰童護理用品有限公司 (unofficially translated as Frog Prince (Fujian) Child Care Co., Limited, an indirect wholly-owned subsidiary of the Company) for a term due to expire on 30 April 2021 for a rent calculated at RMB5 per sq.m. per month, exclusive of all utility charges and management fees. The monthly rent is to be settled by deducting the rent payable from the payment for goods payable to the lessee.

(c) Portion of Level 3 of No. 3 Workshop/Research and Development Centre, having a floor area of 500 sq.m., is leased to Fujian Herun Supply Chain Management Co., Ltd. (a 30%-owned associated company of the Company) for a term due to expire on 30 July 2035 for a rent calculated at RMB5 per sq.m. per month, exclusive of all utility charges and management fees. The monthly rent is to be settled by deducting the rent payable from the payment for goods payable to the lessee.

(d) Portion of Level 4 of No. 3 Workshop/Research and Development Centre, having a floor area of 160 sq.m., is leased to 青蛙王子(福建)電子商務有限公司 (unofficially translated as Frog Prince (Fujian) E-Commerce Co., Ltd., an indirect wholly-owned subsidiary of the Company) for a term due to expire on 31 December 2021 for a rent calculated at RMB5 per sq.m. per month, exclusive of all utility charges and management fees. The monthly rent is to be settled by deducting the rent payable from the payment for goods payable to the lessee.

(6) We have been further advised by the Company that the settlement of rental payables mentioned in Note (5)(b) to (d) above has been changed to cash payment since mid 2018.

(7) The opinion of the PRC Legal Advisor is summarized as follows:

(a) Frog Prince (China) is in possession of a proper legal title to the Property and is entitled freely to occupy, use, transfer, sell, mortgage or lease the Property. The above disposal rights have no restrictions on overseas buyers.

(b) The existing use of the Property is in accordance with its approved use.

(c) Portions of the Property are subject to various tenancies/service contract that are legally valid and are mutually binding to the parties thereof.

(d) The Property is not currently pledged to a third party, and Frog Prince (China) has not signed any agreement with the third party regarding the transfer, sale or mortgage of any part or the whole of the Property.

(e) The Property and its ownership do not involve any sealing up, seizure, sale or other disputes, nor are they subject to any harsh or unusual contracts, terms and conditions.

(8) In valuing the Property, we have assumed a unit rental of approximately RMB10 per sq.m. per month on gross floor area basis and a yield of 4.75% for the Property. Yet, as portions of the Property are currently subject to various tenancies, we have capitalized the rental incomes under the existing tenancies for the remaining period of the respective tenancies by lower yields of 3% or 4.25%, depending on the length of tenancies, to reflect the security of income. In the course of our valuation, we have made reference to sales and leasing offers of properties in the locality which have characteristics comparable to the Property. The prices and monthly rentals of similar properties range from approximately RMB1,900 to RMB3,300 per sq.m. and RMB8 to RMB11 per sq.m. per month on gross floor area basis respectively. The yields indicate by the comparables range from approximately 4% to 5%. The unit rent and the yield assumed by us are consistent with the relevant comparables after due adjustments.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company and each of their respective associates, in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the underlying Shares

Name of Directors	Capacity	Number of underlying Shares held	Approximate percentage of interest
Mr. Li Zhouxin	Beneficial owner	1,480,000	0.08%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company and their associates had an interest or short position in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she has taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

Interests in assets

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which have been since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Interest in contracts

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

4. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors was interested in businesses (apart from businesses of the Group) which compete or were likely to compete, either directly or indirectly, with the principal businesses of the Group as required to be disclosed pursuant to the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service agreement with any members of the Group, excluding contracts expiring or determinable by the Group within one year without payment of any compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any other litigation or claims of material importance known to the Directors to be pending or threatened against the Group.

7. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions, letters or advices included in this circular:

Name	Qualification
CCTH CPA Limited	Certified Public Accountants
B.I. Appraisals Limited	Independent professional valuer

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinion and/or the reference to its name and opinion in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018 (being the date to which the latest published audited statements of the Group were made up).

8. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

(i) a sale and purchase agreement dated 21 September 2017 entered into by Cheer Winner Investment Limited, a wholly-owned subsidiary of the Company, to purchase from an Independent Third Party the entire equity interest of Earn Rich Properties Limited at a total consideration of HK$13,500,000;

(ii) a subscription agreement dated 15 November 2018 entered into between the Company and Real Power International Group Limited, pursuant to which the Company subscribed the convertible bond in the principal amount of HK$8,000,000 issued by Real Power International Group Limited;

(iii) a joint venture agreement dated 24 November 2017 entered into by Elegant Empire Investment Limited, a direct wholly-owned subsidiary of the Company, with Avis Glory Limited in relation to the formation of a joint venture company to engage in the manufacturing and sale of dessert and juice beverages in the PRC;

(iv) a placing agreement (the "**Placing Agreement**") dated 12 June 2018 entered between the Company as issuer and Get Nice Securities Limited as the placing agent to place a maximum of 231,687,000 Shares at the placing price of HK$0.130 per Share;

(v) a supplemental agreement dated 15 June 2018 to the Placing Agreement to revise the long stop date of the Placing Agreement;

(vi) a disposal agreement dated 30 June 2018 entered into by 青蛙王子(中國)日化有限公司 (Frog Prince (China) Daily Chemicals Co., Ltd*), an indirect wholly-owned subsidiary of the Company as the vendor and 絲耐潔(福建)口腔健康科技有限公司 (Snagatr (Fujian) Oral Health Technology Co., Limited*) as the purchaser to purchase 80% of the equity interest in 福建愛潔麗有限公司 (Fujian Azalli Daily Chemicals Limited*) for a total consideration of RMB12,000,000;

(vii) a sale and purchase agreement dated 1 March 2019 entered into by the Company as the purchaser and Pine Victory Trading Limited as the vendor pursuant to which the Company agreed to purchase 80% of the equity interest in Real Power International Group Limited for a total consideration of HK$42,000,000;

(viii) a placing agreement dated 18 June 2019 entered between the Company as issuer and Merdeka Capital Limited as the placing agent to place a maximum of 220,000,000 Shares at the placing price of HK$0.136 per Share;

(ix) the Disposal Agreement; and

(x) the disposal agreement dated 23 August 2019 entered into between the Company as the vendor and Billionaire Asia Limited as the purchaser pursuant to which the Company agreed to sell and the Purchaser agreed to acquire 51% of the issued shares in Marvel Paramount Holdings Limited at a total consideration of HK$40,000,000.

9. GENERAL

(i) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

(ii) The company secretary of the Company is Mr. Lau Ka Ho, a member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

(iii) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is located at Room 2005-2006, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong.

(iv) The Company's Hong Kong branch share registrar is Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's head office and principal place of business at Room 2005-2006, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong from the date of this circular up to and including the date of the EGM:

(i) the memorandum and articles of association of the Company;

(ii) the letter from the Board, the text of which is set out on pages 5 to 20 of this circular;

(iii) the annual reports of the Company for each of the three years ended 31 December 2016, 2017 and 2018, and the interim results of the Company for the six months ended 30 June 2019;

(iv) the valuation report on the Land and the Properties as set out in Appendix II to this circular;

(v) the written consent referred to in the paragraph headed "7. Experts and Consents" in this Appendix;

(vi) the material contracts referred to in the paragraph headed "8. Material Contracts" in this Appendix; and

(vii) this circular.

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Future Development Holdings Limited (the "**Company**") will be held on Friday, 4 October 2019 at 9:00 a.m. at Room Golden Bay, 2/F, Golden Bay Resort, 168 South Huandeng Road, (Huandeng Nan Lu), Dadeng Islands, Xiamen, Fujian Province, The People's Republic of China, for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the conditional agreement dated 10 July 2019 (the "**Disposal Agreement**") (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "A") entered into between the Company as vendor and Frankinton Technology Limited as purchaser in relation to, among others, the disposal of the entire issued share capital of Golden Virtue Investment Holdings Limited for the total consideration of HK$125 million and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one or more of the directors of the Company be and is/are hereby authorised to take all steps necessary or expedient in his/her opinion to implement and/or give effect to the Disposal Agreement and the transactions contemplated thereunder."

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

Hong Kong, 16 September 2019

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
Room 2005-2006
Kinwick Centre
32 Hollywood Road
Central
Hong Kong

Notes:

a. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her/its behalf. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

b. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Meeting (i.e. not later than 9:00 a.m. on Wednesday, 2 October 2019 (Hong Kong time)) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.

c. To ascertain shareholders' eligibility to attend and vote at the Meeting, the register of members of the Company will be closed on Thursday, 3 October 2019 and Friday, 4 October 2019, during which period no share transfer will be effected. In order to qualify for attending and voting at the Meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m., on Wednesday, 2 October 2019.