

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

PROSPEROUS FUTURE HOLDINGS LIMITED

未來發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF A SUBSIDIARY
AND ASSIGNMENT OF THE SALE LOAN**

THE SALE AND PURCHASE AGREEMENT

On 20 November 2024, the Company as the vendor entered into the Sale and Purchase Agreement with the Purchaser as the purchaser, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share and the Sale Loan at the Consideration of HK\$27,000,000.

Completion took place on the date of signing of the Sale and Purchase Agreement.

Upon Completion, the Company no longer holds any shares in the Target Company, the Target Company ceased to be a subsidiary of the Company and the financial results of the Target Company are no longer consolidated into those of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 20 November 2024, the Company as the vendor entered into the Sale and Purchase Agreement with the Purchaser as the purchaser, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share and the Sale Loan at the Consideration of HK\$27,000,000. The principal terms of the Sale and Purchase Agreement are set out below:

THE SALE AND PURCHASE AGREEMENT

Date: 20 November 2024

Parties: (1) the Company as the vendor; and
(2) Deutschland Auto Spare Parts GMBH Limited as the purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

Assets disposed

Pursuant to the Sale and Purchase Agreement, the Company has agreed to sell, and the Purchaser has agreed to acquire, the Sale Share, representing the entire issued share capital in the Target Company, and the Sale Loan, representing 100% of all obligations, liabilities and debts owing or incurred by the Target Company to the Company on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. The Target Company was a direct wholly-owned subsidiary of the Group immediately before Completion.

Consideration

The consideration for the sale and purchase of the Sale Share and the Sale Loan is HK\$27,000,000, which was settled by the Purchaser to the Company in cash on the Completion Date.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser after taking into account (a) the unaudited consolidated book value of the Target Company as at 31 October 2024 of approximately HK\$24,831,000; and (b) the value of the Sale Loan in the amount of HK\$294,636 as at the Completion Date.

The book value of the Target Company as at 31 October 2024 of approximately HK\$24,831,000 included the amount of approximately HK\$25,010,000 attributable to the Target Company as a 50% shareholder in the unaudited consolidated book value of Jumbo Excel as at 31 October 2024 of approximately HK\$50,020,000, which was based on a valuation of the Lands and the Properties in the amount of HK\$52,800,000 as at 31 October 2024 conducted by an independent professional valuer using the direct comparison method, which is generally considered to provide the most reliable indication of value for a property with a known market. It assumes the property concerned is capable of being sold in its existing state with the benefit of immediate vacant possession and makes reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments made to reflect such differences including but not limited to location, time, size and other relevant factors between the property concerned and the comparable properties.

Completion

Completion took place on the date of signing of the Sale and Purchase Agreement.

Upon Completion, the Company no longer holds any shares in the Target Company, the Target Company ceased to be a subsidiary of the Company and the financial results of the Target Company are no longer consolidated into those of the Group.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and is ultimately and beneficially owned as to 98% by Ms. Cheng Wan Gi and 2% by Mr. Cheng Ka Hong. The Purchaser is principally engaged in retail and wholesale of auto spare parts.

INFORMATION ON THE TARGET GROUP

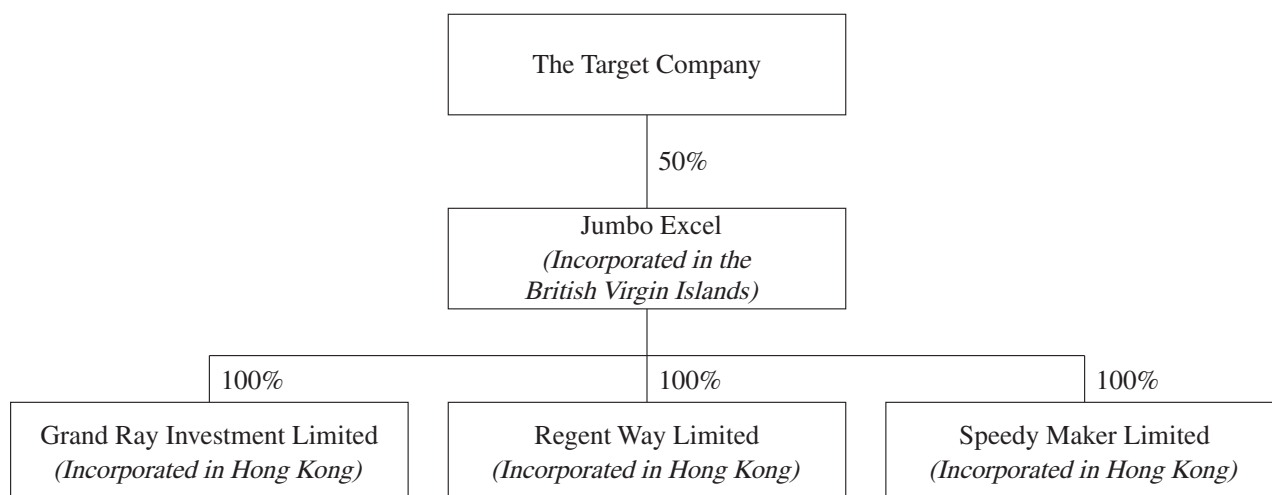
The Target Company is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. Immediately prior to Completion, the Target Company was a direct wholly-owned subsidiary of the Company. Following Completion, the Target Company ceased to be a subsidiary of the Company.

As at Completion, the Target Group comprised the Target Company and the following companies:

- (a) Jumbo Excel is a company incorporated in the British Virgin Islands with limited liability on 13 April 2017 and is principally engaged in investment holding;
- (b) Grand Ray Investment Limited is a company incorporated in Hong Kong with limited liability on 4 December 2015 and is principally engaged in properties holding;

- (c) Regent Way Limited is a company incorporated in Hong Kong with limited liability on 4 December 2015 and is principally engaged in properties holding; and
- (d) Speedy Maker Limited is a company incorporated in Hong Kong with limited liability on 4 December 2015 and is principally engaged in properties holding.

The group chart of the Target Group as at Completion is set out as follows:



Set out below is the unaudited financial information of the Target Company for the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024:

	For the six months ended 30 June 2024 (unaudited) HK\$'000	For the year ended 31 December	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Loss before taxation	9,092	7,316	26,989
Loss after taxation	9,092	7,316	26,989

Based on the unaudited consolidated financial statements of the Target Company as at 31 October 2024, the unaudited net asset value of the Target Company was approximately HK\$24,831,000.

The Lands

The principal assets of the Target Group is the Lands and the Properties located in Yuen Long, Hong Kong and are vacant as at Completion.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company no longer holds any shares in the Target Company and the Target Company ceased to be a subsidiary of the Company and the financial results of the Target Company shall no longer be consolidated into those of the Group.

Based on (i) the total Consideration of HK\$27,000,000; (ii) the unaudited consolidated book value of the Target Company as at 31 October 2024 of approximately HK\$24,831,000 and (iii) the value of the Sale Loan in the amount of HK\$294,636 as at the Completion Date, the Group is expected to recognise an estimated net gain of approximately HK\$1,874,000 upon Completion.

Shareholders should note that the above figures are for illustrative purpose only. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.

After deducting the expenses related to the Disposal, the Group expects that the net proceeds from the Disposal is approximately HK\$26,880,000. The Group intends to use all the net proceeds from the Disposal for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT

The principal activity of the Company is investment holdings. The Group is principally engaged in the provision of food and beverage services, provision of financial business, properties holding and investment holding.

The Group acquired entire issued share capital of the Target Company on 27 April 2017 from an Independent Third Party. At the time of the acquisition in April 2017, the Group expected that the property prices in Yuen Long to increase continuously in the near future and was optimistic about the development of the property market in Hong Kong due to shortage of supply and therefore, was identifying potential property investment and development opportunities in Hong Kong. It was the intention of the Company that the Properties erected on the Lands shall be demolished and the Lands be redeveloped. However, taking into account that (a) the Group has been holding the Lands for over 7 years; and (b) the price of the Lands has been significantly deteriorated since the Group's acquisition in 2017, the Directors consider that it is a suitable time to dispose the Lands in order to improve the liquidity of the Company.

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Prosperous Future Holdings Limited (stock code: 1259), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange

“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of which Completion took place, being the date of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal, being the amount of HK\$27,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan from the Company to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Jumbo Excel”	Jumbo Excel Investment Corporation, a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by the Target Company and as to 50% by an Independent Third Party

“Lands”	all the lands owned by the Target Group, namely, (i) INLAND LOT NO. 2044A in Demarcation District No. 104; (ii) INLAND LOT NO. 2044B in Demarcation District No. 104; (iii) INLAND LOT NO. 2051A in Demarcation District No. 104; (iv) INLAND LOT NO. 2052A in Demarcation District No. 104; (v) INLAND LOT NO. 2059A in Demarcation District No. 104; (vi) INLAND LOT NO. 2059B in Demarcation District No. 104; (vii) INLAND LOT NO. 2059C in Demarcation District No. 104; (viii) INLAND LOT NO. 2059D in Demarcation District No. 104; (ix) INLAND LOT NO. 2061A in Demarcation District No. 104; and (x) INLAND LOT NO. 2061B in Demarcation District No. 104
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	10 old schedule small houses developed and built on the Lands between 1930 to 1950, which are vacant as at Completion
“Purchaser”	Deutschland Auto Spare Parts GMBH Limited, a company incorporated in Hong Kong with limited liability and it is ultimately and beneficially owned as to 98% by Ms. Cheng Wan Gi and 2% by Mr. Cheng Ka Hong
“Sale and Purchase Agreement”	the agreement dated 20 November 2024 and entered into between the Company and the Purchaser in relation to the sale and purchase of the Sale Share and the Sale Loan
“Sale Loan”	100% of all obligations, liabilities and debts owing or incurred by the Target Company to the Company on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which as at the Completion Date, amounted to a total sum of HK\$294,636

“Sale Share”	one ordinary share of the Target Company, representing the entire issued share capital of the Target Company as at Completion
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Apex Magic International Limited, a company incorporated in the British Virgin Islands with limited liability and was a direct wholly-owned subsidiary of the Company immediately prior to Completion
“Target Group”	collectively, the Target Company, Jumbo Excel, Grand Ray Investment Limited (豪輝投資有限公司), Regent Way Limited (耀晉有限公司) and Speedy Maker Limited (迅建有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Prosperous Future Holdings Limited
Lau Ka Ho
Chief Executive Officer and Executive Director

Hong Kong, 20 November 2024

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Lau Ka Ho and Mr. Chan Hoi Tik; (ii) one non-executive Director, namely Mr. Sze Wine Him Jaime; and (iii) three independent non-executive Directors, namely Ms. Chan Sze Man, Ms. Bu Yanan and Mr. Wong Sai Hung.