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PROSPEROUS FUTURE HOLDINGS LIMITED

未來發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

**DISCLOSEABLE TRANSACTION IN RELATION TO
DISPOSAL OF PROPERTIES**

On 27 June 2022 and 18 July 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement respectively, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the First Sale Property and the Second Sale Property for a cash consideration of HK\$4,740,000 and HK\$2,530,000, respectively. The First Disposal and the Second Disposal were completed on 27 July 2022 and 19 August 2022, respectively.

On 22 September 2022, the Vendor and the Purchaser entered into the Third Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Third Sale Properties for an aggregate cash consideration of HK\$15,930,000.

LISTING RULES IMPLICATIONS

As the Disposals are of a similar nature or otherwise related, the Disposals are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction. As the highest of the applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the Disposals (as aggregated) exceeds 5% but is lower than 25%, the Disposals constitute a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 27 June 2022 and 18 July 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement respectively, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the First Sale Property and the Second Sale Property for a cash consideration of HK\$4,740,000 and HK\$2,530,000, respectively. The First Disposal and the Second Disposal were completed on 27 July 2022 and 19 August 2022, respectively.

On 22 September 2022, the Vendor and the Purchaser entered into the Third Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Third Sale Properties for an aggregate cash consideration of HK\$15,930,000.

THE PREVIOUS DISPOSALS

Details of the Previous Sale and Purchase Agreements are summarised as follows:

Parties:

Vendor : Nice Source Properties Limited

Purchaser : Eternity Development Limited

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

The Purchaser is a company established in Hong Kong with limited liability and principally engaged in investment holdings and the Purchaser's ultimate beneficial owner is Mr. Wong.

The Vendor is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company and is principally engaged in properties holdings.

	The First Disposal	The Second Disposal
Date of agreement	: 27 June 2022	18 July 2022
Property	: The First Sale Property is Workshop No. 12 of Workshop C6 on G/F of Block C, Hong Kong Industrial Centre, Nos. 489-491 Castle Peak Road, Kowloon, Hong Kong.	The Second Sale Property is Workshop No. 11 of Workshop C6 on G/F of Block C, Hong Kong Industrial Centre, Nos. 489-491 Castle Peak Road, Kowloon, Hong Kong.
	The saleable area of the First Sale Property is 12.318 square metre.	The saleable area of the Second Sale Property is 10.922 square metre.
Consideration	: HK\$4,740,000	HK\$2,530,000
	The First Disposal Consideration was fully settled in cash on 27 June 2022 as deposit by the Purchaser.	The Second Disposal Consideration was fully settled in cash on 18 July 2022 as deposit by the Purchaser.
	The First Disposal Consideration was determined with reference to the valuation value of HK\$4,740,000 of the First Sale Property as at 10 June 2022 assessed by an independent professional valuer.	The Second Disposal Consideration was determined with reference to the valuation value of HK\$2,530,000 of the Second Sale Property as at 10 June 2022 assessed by an independent professional valuer.

Completion	: 27 July 2022	19 August 2022
Stamp duty	: All ad valorem stamp duty was borne by the Purchaser solely.	All ad valorem stamp duty was borne by the Purchaser solely.
Information	: As at the date of the First Disposal, the First Sale Property was vacant and had recorded no rental income for the past two financial years.	As at the date of the Second Disposal, the Second Sale Property was vacant and had recorded no rental income for the past two financial years.
	The unaudited carrying value of the First Sale Property as at 30 June 2022 was approximately HK\$4,740,000.	The unaudited carrying value of the Second Sale Property as at 30 June 2022 was approximately HK\$2,530,000.

THE THIRD DISPOSAL

Details of the Third Sale and Purchase Agreement are summarised as follows:

Date : 22 September 2022

Parties:

Vendor : Nice Source Properties Limited

Purchaser : Eternity Development Limited

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

The Purchaser is a company established in Hong Kong with limited liability and is principally engaged in investment holdings and the Purchaser's ultimate beneficial owner is Mr. Wong.

The Vendor is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company and is principally engaged in properties holdings.

The Third Sale Properties

The Third Sale Properties are Workshop No. 6, Workshop No. 7, Workshop No. 8, Workshop No. 9 and Workshop No. 10 of Workshop C6 on G/F of Block C, Hong Kong Industrial Centre, Nos. 489-491 Castle Peak Road, Kowloon, Hong Kong, with saleable area of 11.176 square metre, 11.176 square metre, 11.019 square metre, 11.053 square metre and 11.176 square metre, respectively.

All ad valorem stamp duty in relation to the Third Disposal shall be borne by the Purchaser solely.

INFORMATION ON THE THIRD SALE PROPERTIES

As at the date of this announcement, the Third Sale Properties are vacant and have recorded no rental income for the past two financial years.

The unaudited aggregate carrying value of the Third Sale Properties as at 30 June 2022 was approximately HK\$15,930,000.

Third Disposal Consideration

The Third Disposal Consideration of HK\$15,930,000 was determined with reference to the aggregate value of HK\$15,930,000 of the Third Sale Properties as at 31 August 2022 assessed by an independent professional valuer.

As at the date of this announcement, HK\$9,420,000 have been paid as deposit by the Purchaser to the Vendor, and the remaining balance of the Third Disposal Consideration, being HK\$6,510,000 shall be payable by the Purchaser to the Vendor upon the Third Disposal Completion.

Third Disposal Completion

The Third Disposal Completion shall take place on the date falling 3 calendar months after the date of the Third Sale and Purchase Agreement (i.e. 22 December 2022).

REASONS FOR AND BENEFITS OF THE DISPOSALS

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of food and beverage services, provision of financial business, properties holding, provision of temperature-controlled storage and ancillary services and investment holding.

The Group acquired the Property on 21 September 2017 from an Independent Third Party. At the time of the acquisition of the Property, the Group's intention was to diversify its investment properties portfolio, strengthen the income base of the Group and provide capital appreciation potential to the Group.

The Group has applied for the subdivision of the Property and the Buildings Department of Hong Kong has approved the Group's subdivision application. The Group has subdivided the Property into 22 separate lots for sale, of which the Sale Properties represents 7 separate lots. The subdivision of the Property allows the Group more flexibility in its ability to sell the Property and is expected to realise a greater return than selling the Property as a whole. The Company is seeking to and has been streamlining its operations and striving for a stronger financial position with asset light operations, lower gearing ratio, richer liquidity and better return on assets.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposals contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company intends to apply the aggregate net proceeds from the Disposals of approximately HK\$23,000,000 as repayment of the borrowing of the Vendor (the "**Borrowing**") due to an Independent Third Party.

As at the date of this announcement, the First Disposal Consideration and the Second Disposal Consideration have been utilized as repayment of the Borrowing.

FINANCIAL EFFECTS OF THE DISPOSALS

As at 30 June 2022, the unaudited carrying value of the Sale Properties in aggregate was approximately HK\$23,200,000. Based on the Aggregate Consideration of HK\$23,200,000, the Company is expected to recognise an unaudited net loss before taxation (after deducting carrying values of the Sale Properties as at 30 June 2022 and the relevant transaction costs in relation to the Disposals) of approximately HK\$200,000 from the Disposals which will be recorded in the financial year ending 31 December 2022. Such calculation is only an estimate provided for illustrative purposes and the accounting treatment of the Disposals will be subject to further review by the auditors of the Company.

LISTING RULES IMPLICATIONS

As the Disposals are of a similar nature or otherwise related, the Disposals are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction. As the highest of the applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the Disposals (as aggregated) exceeds 5% but is lower than 25%, the Disposals constitute a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Aggregate Consideration”	collectively, the First Disposal Consideration, the Second Disposal Consideration and the Third Disposal Consideration
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	collectively, the First Disposal, the Second Disposal and the Third Disposal
“First Disposal Consideration”	the consideration of HK\$4,740,000 for the First Disposal pursuant to the First Sale and Purchase Agreement
“First Disposal”	the sale of the First Sale Property by the Vendor to the Purchaser pursuant to the terms and conditions of the First Sale and Purchase Agreement
“First Sale and Purchase Agreement”	the sale and purchase agreement dated 27 June 2022 entered into between the Purchaser and the Vendor in relation to the First Disposal
“First Sale Property”	Workshop No.12 of the Property
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong, Ryan Tai Cheong, an Independent Third Party
“Previous Disposals”	collectively, the First Disposal and the Second Disposal
“Previous Sale and Purchase Agreements”	collectively, the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“Property”	the property located at Workshop C6 on G/F of Block C, Hong Kong Industrial Centre, Nos. 489-491 Castle Peak Road, Kowloon, Hong Kong
“Purchaser”	Eternity Development Limited, a limited liability company established in Hong Kong and is ultimately owned by Mr. Wong
“Sale Properties”	collectively, the First Sale Property, the Second Sale Property and the Third Sale Properties
“Second Disposal Consideration”	the consideration of HK\$2,530,000 for the Second Disposal pursuant to the Second Sale and Purchase Agreement
“Second Disposal”	the sale of the Second Sale Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Second Sale and Purchase Agreement
“Second Sale and Purchase Agreement”	the sale and purchase agreement dated 18 July 2022 entered into between the Purchaser and the Vendor in relation to the Second Disposal
“Second Sale Property”	Workshop No.11 of the Property
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Disposal Completion”	completion of the Third Disposal
“Third Disposal Consideration”	the aggregate consideration of HK15,930,000 for the Third Disposal pursuant to the Third Sale and Purchase Agreement
“Third Disposal”	the sale of the Third Sale Properties by the Vendor to the Purchaser pursuant to the terms and conditions of the Third Sale and Purchase Agreement
“Third Sale and Purchase Agreement”	the sale and purchase agreement dated 22 September 2022 entered into between the Purchaser and the Vendor in relation to the Third Disposal
“Third Sale Properties”	Workshops No.6,7,8,9 and 10 of the Property
“Vendor”	Nice Source Properties Limited, a limited liability company established in Hong Kong
“%”	per cent.

By order of the Board
Prosperous Future Holdings Limited
Lau Ka Ho

Chief Executive Officer and Executive Director

Hong Kong, 22 September 2022

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) two non-executive Directors, namely Mr. Li Zhouxin and Mr. Sze Wine Him Jaime; and (iii) three independent non-executive Directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.