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Prosper One International Holdings Company Limited

富一國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1470)

DISCLOSEABLE AND CONNECTED TRANSACTIONS DISPOSAL OF TWO MOTOR VEHICLES

On 17 July 2020, the Vendors and the Purchaser entered into the Sale & Purchase Agreement, pursuant to which the Vendors have agreed to dispose of and the Purchaser has agreed to acquire the Motor Vehicles in their current status and conditions at an aggregate consideration of HK\$4,700,000.

Given that the Sale & Purchase Agreement is entered into by the Vendors with the Purchaser and the First Disposal and the Second Disposal will be completed within a 12-month period, the transactions contemplated under the Sale & Purchase Agreement are required to be aggregated as a single series of transactions pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable Percentage Ratio in respect of the aggregate consideration of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is a director of each of the Vendors, the Purchaser is a connected person of the Company at the subsidiary level pursuant to Rule 14A.06 of the Listing Rules. The Disposal constitutes a connected transaction of the Company. As the Board has approved the Disposal and the INEDs have confirmed that (a) the terms of the Disposal are fair and reasonable and (b) the Disposal is made on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

The Board announces that on 17 July 2020 (after the securities trading hours of the Stock Exchange), the Vendors and the Purchaser entered into the Sale & Purchase Agreement, pursuant to which the Vendors agreed to dispose of and the Purchaser agreed to acquire the Motor Vehicles in their current state and conditions at an aggregate consideration of HK\$4,700,000.

SALE & PURCHASE AGREEMENT

The principal terms of the Sale & Purchase Agreement are summarized as follows:

Date

17 July 2020

Parties

- (1) The First Vendor: Fulham as vendor
- (2) The Second Vendor: Treasure Ascent as vendor
- (3) The Purchaser: Mr. Lam Man Wah as purchaser

I. Sale & Purchase of the First Motor Vehicle

The Asset

The First Vendor has agreed to dispose of, and the Purchaser has agreed to acquire, the First Motor Vehicle in its current state and conditions, details of which are set out as follows:

Registration Mark	:	KL368
Class	:	Private Car
Make	:	Land Rover
Model	:	RR5.0 SC LWB AB (Range Rover 5.0 liters, super-charged, long wheel base, Autobiography)
Date of First Registration	:	31 October 2017
Year of Manufacture	:	2017
Country/Place of Origin	:	United Kingdom
Chassis No./VIN	:	SALGA3EEXHA363096
Engine No.	:	17052138475508PS
Cylinder Capacity	:	Petrol/4,999 cc
Colour/Body Type	:	Grey-var/Station Waggon
Seating Capacity	:	4
Total Mileage	:	22,937 kms
Licence Expiration	:	18 November 2020

The Vendor registered itself as the owner of the First Motor Vehicle on 31 October 2017.

II. Sale & Purchase of the Second Motor Vehicle

The Asset

The Second Vendor has agreed to dispose of, and the Purchaser has agreed to acquire, the Second Motor Vehicle in its current state and conditions, details of which are set out as follows:

Registration Mark	:	EK368
Class	:	Private Car
Make	:	Lamborghini
Model	:	Huracan Spyder (LP 610-4)
Date of First Registration	:	11 September 2018
Year of Manufacture	:	2018
Country/Place of Origin	:	Italy
Chassis No./VIN	:	ZHWER1ZF3JLA11030
Engine No.	:	DKB001984
Cylinder Capacity	:	Petrol/5,204 cc
Colour/Body Type	:	Grey/Convertible
Seating Capacity	:	1
Total Mileage	:	2,357 kms
Licence Expiration	:	10 September 2020

The Vendor registered itself as the owner of the Second Motor Vehicle on 11 September 2018.

Consideration, Basis of Determination and Payment

The consideration for the sale and purchase of the First Motor Vehicle of HK\$1,700,000 was determined after arm's length negotiations between the First Vendor and the Purchaser by making reference to:

- (a) the estimated fair market value of the First Motor Vehicle as of 1 May 2020 of HK\$1,700,000 made by a Valuer; and
- (b) the unaudited net book value of the First Motor Vehicle of HK\$1,372,667.44 as at 31 May 2020.

The consideration for the sale and purchase of the Second Motor Vehicle as of HK\$3,000,000 was determined after arm's length negotiations between the Second Vendor and the Purchaser by making reference to:

- i. the estimated fair market value of the Second Motor Vehicle as of 1 May 2020 of HK\$3,000,000 made by the same Valuer; and
- ii. the unaudited net book value of the Second Motor Vehicle of HK\$2,704,000.07 as at 31 May 2020.

The aggregate cash consideration for the Motor Vehicles of HK\$4,700,000 shall be settled by the Purchaser by way of offsetting HK\$2,134,217.60 due by Fulham to the Purchaser and by cheque or by cashier order in the amount of HK\$2,565,782.40 payable to Treasure Ascent on the Completion Date.

III. Completion Date

Completion shall take place on 6 August 2020, being 14 working days after the date of the Sale & Purchase Agreement.

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

The main purpose of the Disposal is to allow the Vendors to allocate their assets effectively, which will not bring any adverse effect on the operation of the Vendor. In addition, the Disposal can provide an opportunity for the Group to reduce the outstanding debts owed to the Purchaser, thereby lowering the level of indebtedness of the Group. The remaining cash proceeds from the Disposal of approximately HK\$2,565,782.40 are intended to be used by the Group as additional general working capital.

The Board (including the INEDs) takes the view that the Sale & Purchase Agreement is: (i) incidental to the ordinary and usual course of business of the Group; (ii) entered into on normal commercial terms which are fair and reasonable; and (iii) are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACTS FROM THE DISPOSAL

Based on the aggregate consideration for the Disposal of HK\$4,700,000 and the aggregate unaudited net book value of the Motor Vehicles of HK\$4,076,667.51 as at 31 May 2020, the Company will realize a gain from the Disposal of approximately HK\$623,332.49 (before tax and expenses), being the difference between the above two amounts, for the year ending 30 April 2021.

INFORMATION OF THE GROUP AND THE VENDORS

The Company is an investment holding company. Its subsidiaries are principally engaged in the retail and wholesale of watches in Hong Kong. The Group has also engaged in agency activities in relation to sales and trading of fertilizers raw materials, fertilizers products and public consumption products in the PRC since 2018.

Fulham is a company incorporated in Hong Kong with limited liability on 25 January 2007 and an indirect wholly-owned subsidiary of the Company holding, amongst others, the First Motor Vehicle, a yacht and a club membership in Hong Kong.

Treasure Ascent is a company incorporated in Hong Kong with limited liability on 22 October 2008 and an indirect wholly-owned subsidiary of the Company engaged in the provision of management services in Hong Kong.

INFORMATION OF THE PURCHASER

The Purchaser is a director of certain subsidiaries of the Company (including Fulham and Treasure Ascent) and therefore a connected person of the Company at the subsidiary level pursuant to Rule 14A.06 of the Listing Rules. Save for the foregoing, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is not in any other way connected with the Company.

LISTING RULES IMPLICATIONS

Given that the Sale & Purchase Agreement is entered into by the Vendors with the Purchaser and the First Disposal and the Second Disposal will be completed within a 12-month period, the transactions contemplated under the Sale & Purchase Agreement are required to be aggregated as a single series of transactions pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable Percentage Ratio in respect of the aggregate consideration of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is a director of Fulham and Treasure Ascent, the Purchaser is a connected person of the Company at a subsidiary level pursuant to Rule 14A.06 of the Listing Rules. The Disposal constitutes a connected transaction of the Company. As the Board has approved the Disposal and the INEDs have confirmed that (a) the terms of the Disposal are fair and reasonable and (b) the Disposal is made on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

GENERAL INFORMATION

None of the Directors has a material interest in the Disposal and has abstained from voting on the resolutions in relation to the Disposal whereas the Purchaser has abstained from voting on the resolutions for the sale of the First Motor Vehicle and the Second Motor Vehicle at the board meetings of Fulham and Treasure Ascent, respectively. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Assets”	the Motor Vehicles to be disposed of by the Vendors to the Purchaser under the Sale & Purchase Agreement, details of which are set out in the paragraph headed “The Asset” in the “Sale & Purchase of the First Motor Vehicle” and the “Sale & Purchase of the Second Motor Vehicle” (as the case may be) in this announcement
“Board”	the board of Directors
“cc”	cubic centimetre(s)
“Company”	Prosper One International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed and traded on the Main Board of the Stock Exchange (stock code: 1470)
“Completion”	the completion of the Sale & Purchase Agreement in accordance with the terms and conditions of the Sale & Purchase Agreement
“connected person”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	collectively the First Disposal and the Second Disposal
“First Disposal”	the disposal of the First Motor Vehicle by the First Vendor to the Purchaser pursuant to the terms of the Sale & Purchase Agreement
“First Motor Vehicle”	the motor vehicle to be disposed of by the First Vendor to the Purchaser under the Sale & Purchase Agreement
“First Vendor”	Fulham
“Fulham”	Fulham Corporation Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INEDs”	the independent non-executive Directors

“km(s)”	kilometre(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Motor Vehicles”	collectively, the First Motor Vehicle and the Second Motor Vehicle
“Percentage Ratio(s)”	the percentage ratio(s) as defined in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transactions under the Listing Rules
“Purchaser”	Mr. Lam Man Wah, a director of certain subsidiaries of the Company (including Fulham and Treasure Ascent)
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding the Macau Special Administrative Region of the People’s Republic of China
“Sale & Purchase Agreement”	the sale and purchase agreement dated 17 July 2020 entered into between the First Vendor as vendor of the First Motor Vehicle, the Second Vendor as vendor of the Second Motor Vehicle and the Purchaser as purchaser in respect of the sale and purchase of the First Motor Vehicle and the Second Motor Vehicle
“Second Disposal”	the disposal of the Second Motor Vehicle by the Second Vendor to the Purchaser pursuant to the terms of the Sale & Purchase Agreement
“Second Motor Vehicle”	the motor vehicle to be disposed of by the Second Vendor to the Purchaser under the Sale & Purchase Agreement
“Second Vendor”	Treasure Ascent
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Treasure Ascent”	Treasure Ascent International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Valuer”	an independent professional plant and machinery valuer
“Vendors”	collectively the First Vendor and the Second Vendor
“working day(s)”	any day other than Saturday, Sunday or other public holiday in Hong Kong
“%”	per cent

For and on behalf of
Prosper One International Holdings Company Limited
Meng Guangyin
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 July 2020

As at the date of this announcement, the Board comprises Mr. Meng Guangyin (chairman and chief executive officer), Mr. Liu Guoqing (chief financial officer) and Mr. Liu Jiaqiang as the executive Directors; and Mr. Tian Zhiyuan, Mr. Lee Chun Keung and Mr. Wang Luping as the INEDs.