

# Convertible Loan Notes and grant of Options

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RNS Number : 2319P

Fragrant Prosperity Holdings Ltd

08 June 2020

FOR RELEASE ON MONDAY 8<sup>th</sup> JUNE AT 7am

Fragrant Prosperity Holdings Limited

("FPP" or the "Company")

## Convertible Loan Notes and grant of Options

Fragrant Prosperity Holdings Limited (the "**Company**") announces it has issued convertible loan notes for a total consideration of £100,000 to be used for general working capital purposes and to continue its chosen strategy of seeking suitable acquisition targets and/or investments.

### Convertible Loan Notes

On 13 December 2019, the Company constituted a convertible loan notes instrument to issue unsecured convertible loan notes ("**Notes**") up to an aggregate amount of £420,000 (the "**Instrument**"). On the same date, Mr. Stanley Hutton Rumbough subscribed for £210,000 of Notes for cash and was granted an option to subscribe for £110,000 in additional Notes ("**Option**").

The Company and Mr. Stanley Hutton Rumbough mutually agreed to extend the deadline for the exercise of the original Option and restate and reissue the Option on its new terms. In addition, the Company has amended the Instrument so that it can issue Notes up to an aggregate amount of £800,000 and to make some other minor changes.

On 5 June 2020, Mr. Stanley Hutton Rumbough exercised his Option by subscribing for £100,000 of Notes in the Company. The Option has now been fully exercised and the remaining proportion cancelled. The Company has granted to Mr. Stanley Hutton Rumbough a new option to subscribe for up to £250,000 of Notes under the terms of the Instrument (as amended) on or before 30 November 2021.

### Fees and Issue of Options

For services provided to the Company in connection with the subscription for Notes, Stonedale Management and Investments Limited (a company controlled by Simon Retter) received £10,000 from the Company. The Company also agreed to reimburse Mr Rumbough in respect of his legal and due diligence costs in the amount of £40,000.

Mr. Craig Marshak was granted £50,000 of options to subscribe for new shares ("**Shares**") at a strike price of 0 pence. The number of Shares issued upon the exercise of this option is 2,500,000 subject to anti-dilution adjustment if the Company issues further shares or undergoes a reorganisation in which case the number of shares to be issued if the option is exercised will be calculated on the basis of a issue price of the lower of (i) 2p or (ii) volume weighted average closing market mid-price for a period of 10 trading days (if the Shares are admitted to the Official List); or (iii) otherwise, the most recent price at the time of exercise of the option at which the further shares were issued and allotted (if the Shares are not admitted to the Official List).

About Mr. Stanley Hutton Rumbough

Mr. Stanley Hutton Rumbough's family founded the US brokerage firm EF Hutton in 1904. EF Hutton went on to become one of the largest brokerage firms in US history and was ultimately sold to American Express.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For more information:

Fragrant Prosperity Holdings Limited

Simon Retter/Craig Marshak

+44 (0) 20  
3137 1902

\*Ends\*

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