

# Intended Acquisition and Suspension of Listing

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Fragrant Prosperity Holdings Ltd

24 May 2021

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Fragrant Prosperity Holdings Limited

("FPP" or the "Company")

Intended Acquisition and Suspension of Listing

The Directors of FPP are pleased to inform shareholders that the Company has signed a letter of intent ("LOI") with CiiTECH Ltd, a leading cannabis wellness company based in the UK and Israel (the "Target"), in relation to the potential acquisition of the Target by FPP ("Intended Acquisition"). Chrystal Capital LLP is acting as exclusive Financial Advisor to the Target in respect of the Intended Acquisition.

Under the LOI, FPP has conditionally agreed to acquire the Target for a consideration of £17,500,000 (subject to adjustment should the number of securities the Target has in issue vary between the date of this announcement and completion) to be satisfied by the issue of Ordinary Shares in the capital of FPP at a price of 5.25 pence per Ordinary Share. **The LOI is non-binding save principally for provisions relating to a 120 day exclusivity period and confidentiality.**

A transaction structure has been agreed in outline with the Target and completion of the Intended Acquisition is conditional, *inter alia*, upon:

- the completion of satisfactory financial, legal and commercial due diligence on the Target as FPP may determine necessary;
- agreement on the composition of the new board of FPP;
- the re-naming of FPP as CiiTECH Group Limited; and
- publication of a prospectus and admission of the enlarged share capital of FPP to the Standard Segment of the Official List and to trading on the Main Market.
- Approval by FPP shareholders of the name change and issue of consideration shares

#### Suspension and Application for Listing

The Intended Acquisition, if it proceeds, will constitute a Reverse Takeover under the Listing Rules as the value of the consideration will exceed the Company's market capitalisation and it will result in a fundamental change in the business of FPP as it will own an operating business.

Accordingly, the Company has requested the suspension of the listing in the Company's ordinary shares on the Standard Segment of the Official List, and trading on the London Stock Exchange's Main Market has been suspended with effect from 7.30 am on the 24<sup>th</sup> May 2021, pending the publication of a prospectus and the application by the Company as enlarged by the Intended Acquisition to have its enlarged share capital listed on the Standard Segment of the Official List and admitted to trading on the London Stock Exchange's Main Market.

Shareholders should be aware that there is a possibility that the Intended Acquisition will not proceed or that the terms may change depending upon the outcome of due diligence. The Company will provide further update on the Intended Acquisition in due course.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement this information is considered to be in the public domain.

ENDS

**For more information:** <http://www.fragrantprosperityholdings.com/>

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