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**FUTURE WORLD HOLDINGS LIMITED**

**未來世界控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**MAJOR TRANSACTION  
EXTENSION OF LOAN FACILITY**

The Board announces that Globally Finance and Central Wealth on 7 October 2020 entered into the conditional Supplemental Agreement, pursuant to which the parties agree that (1) the Availability Period of the Loan Facility and Repayment Date of the outstanding Loans drawn and to be drawn under the Loan Facility shall be extended from 31 December 2020 to 31 December 2023, and (2) the interest rate of the outstanding Loans drawn and to be drawn under the Loan Facility shall be changed from 8% per annum to 7% per annum with effect from 1 January 2021.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Facility (as amended and supplemented by the Supplemental Agreement) exceed 25%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to approval of the Shareholders at the EGM.

## **BACKGROUND**

As disclosed in the circular of the Company dated 16 July 2018, Globally Finance (a wholly owned subsidiary of the Company) as lender entered into the Loan Agreement with Central Wealth as borrower, pursuant to which Globally Finance agreed to grant the Loan Facility in the amount of up to HKD270,000,000 to Central Wealth for a term up to 31 December 2020. As Central Wealth was a substantial shareholder of the Company in 2018, the Loan Agreement and the transactions contemplated thereunder constituted continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Independent Shareholders' approval for the Loan Agreement and the transactions contemplated thereunder had been obtained at the extraordinary general meeting of the Company held on 6 August 2018. For further details, please refer to the circular of the Company dated 16 July 2018.

## **EXTENSION OF LOAN FACILITY**

The Board announces that after arm's length negotiations, on 7 October 2020 (after trading hours), Globally Finance and Central Wealth entered into the conditional Supplemental Agreement to the Loan Agreement, pursuant to which the parties agree that (1) the Availability Period of the Loan Facility and Repayment Date of the outstanding Loans drawn and to be drawn under the Loan Facility shall be extended from 31 December 2020 to 31 December 2023, and (2) the interest rate of the outstanding Loans drawn and to be drawn under the Loan Facility shall be changed from 8% per annum to 7% per annum with effect from 1 January 2021. Set out below are the principal terms of the Loan Agreement (as amended and supplemented by the Supplemental Agreement).

### **The Loan Agreement (as amended and supplemented by the Supplemental Agreement)**

**Date:** 7 September 2017 (as supplemented by the first supplemental agreement dated 19 September 2017, the second supplemental agreement dated 25 April 2018 and the Supplemental Agreement dated 7 October 2020)

**Parties:**

- (1) Globally Finance as lender
- (2) Central Wealth as borrower

Globally Finance is a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company and is principally engaged in money lending.

Central Wealth is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 139)

- Loan Facility amount:** HK\$270,000,000
- Interest:** 8% per annum till 31 December 2020 and 7% per annum from 1 January 2021
- Availability Period:** the period commencing from the date of the original Loan Agreement and ending on 31 December 2023 (the “**Availability Period**”)
- Repayment Date:** 31 December 2023 (or such earlier date as Globally Finance and Central Wealth may agree in writing) (the “**Repayment Date**”)
- Repayment:** The principal of the Loans drawn under the Loan Facility and for the time being outstanding shall be repaid in full in one lump sum on the Repayment Date, whereas the interest on the aggregate principal amount outstanding under the Loans shall be paid by Central Wealth quarterly.

Central Wealth shall be entitled to prepay the whole or any part of the Loan(s) with the prior written approval of Globally Finance.

The Loan Facility is revolving in nature and any Loan amount(s) prepaid or repaid in accordance with the terms of the Loan Agreement may be redrawn by Central Wealth under the Loan Facility during the Availability Period provided that the outstanding principal amount of the Loan drawn under the Loan Facility shall not exceed HKD270,000,000.

**Conditions for the  
Loan(s):**

The obligation of Globally Finance to advance under the Loan Agreement shall be subject to the fulfillment of the following conditions:

- (i) all necessary approvals, consents, authorisations and licenses in relation to the transaction contemplated under the Loan Agreement having been obtained;
- (ii) all representations and warranties made by Central Wealth in the Loan Agreement or in connection therewith shall be true and correct with the same effect as made on and as of the relevant drawdown date(s) with reference to the facts and circumstances then subsisting;
- (iii) no event of default shall have occurred;
- (iv) Globally Finance having received such other documents, evidence and financial and other information relating to any matter contemplated under the Loan Agreement as Globally Finance may require; and
- (v) the passing of necessary resolutions by the Shareholders at the extraordinary general meeting of the Company to be held and convened to approve, confirm and ratify the Loan Agreement and the transaction contemplated thereunder.

**Default:**

If Central Wealth defaults in repayment on the due date of any sum, interest or other amounts payable under the Loan Agreement, it shall pay interest on such overdue sums from the due date until payment in full (before and after judgment) at the rate of 7% per annum (“**Default Interest**”). Globally Finance may serve a written notice to Central Wealth after the Repayment Date confirming the total amount of the Default Interest, and Central Wealth shall settle the Default Interest in full within ten (10) Business Days upon receipt of such notice.

**Conditional Supplemental Agreement**

The Supplemental Agreement shall be conditional upon the passing of the necessary resolution(s) by the Shareholder at the EGM to be held and convened to approve, confirm and ratify the Supplemental Agreement and the transactions contemplated thereunder.

If the condition set out has not been satisfied on or before 31 December 2020, or such later date as Globally Finance and Central Wealth may agree, the Supplemental Agreement shall cease and terminate as if the Supplemental Agreement had not been entered but the Loan Agreement shall remain as valid and effective as if the Supplemental Agreement had not been entered.

**Funding of the Loan Facility**

The Group will finance the Loan Facility with its internal resources.

**The Loan Facility amount and the interest rate**

The Loan Facility amount was determined after arm’s length negotiations with reference to the historical transaction amounts of the Loan(s) provided to Central Wealth by Globally Finance. As at the date of this announcement, the principal amount of the Loan(s) outstanding was HKD236,000,000.

The interest rate under the Loan Agreement (as supplemented and amended by the Supplemental Agreement) was agreed by the parties after arm's length negotiations having taken into account the following factors:

- (1) the prevailing range of market interest rates and practices that interest rates offered by licensed money lenders. The interest rate offered by Globally Finance shall be in line with such market practice; and
- (2) the anticipated decrease in interest rate in the forthcoming years as a result of the global economy uncertainty. It is noted that the central banks are cutting the interest rates and the interest rate may further decrease in the forthcoming years.

Under the Loan Agreement (as amended by the Supplemental Agreement), the maximum principal amount outstanding and the maximum interest amount in relation to the Loan for each of the period of the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 are as follows:

	<b>For the year ending 31 December 2021</b>	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>
Maximum principal amount outstanding	HKD270,000,000	HKD270,000,000	HKD270,000,000
Maximum interest amount	HKD18,900,000	HKD18,900,000	HKD18,900,000
Total	HKD288,900,000	HKD288,900,000	HKD288,900,000

## **REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT AND THE SUPPLEMENTAL AGREEMENT**

As the Loan has been generating interest income to Globally Finance, the Company believes it as a good opportunity to obtain continuing returns in terms of interest income for the Group by extending the term of the Loan Facility for three years from 31 December 2020 to 31 December 2023.

In light of the global economy uncertainty and the COVID-19 outbreak, the Directors believe that the interest rate of 7% under the Loan Agreement (as supplemented by the Supplemental Agreement) can generate considerable returns to the Company. Having considered that (i) the grant of the Loan Facility to Central Wealth is in line with the ordinary and usual course of business of Globally Finance and is on normal commercial terms; and (ii) the interest rate under the Loan Agreement (as supplemented by the Supplemental Agreement) is relatively attractive as it is much higher than the interest rate for fixed deposits in the banks in Hong Kong, the Company further believes that the advance of the Loan(s) to Central Wealth represents an investment opportunity which is beneficial to the Company.

In view of the above factors and the internal control measures, the Directors consider that (a) the Supplemental Agreement was entered into on normal commercial terms; (b) the terms of the Supplemental Agreement (including the extended term of the Loan Facility and the interest rate) are fair and reasonable; (c) the possibility of default of Central Wealth under the Loan Agreement is low, and therefore the risks in associated with the grant of the Loan Facility to Central Wealth is relatively low; and (d) having taken into account of the stream of interest income expected to be derived from the Loan(s), the Loan Agreement (as supplemented by the Supplemental Agreement) is in the interests of the Company and the Shareholders as a whole.

Mr. Yu Qingrui, being common director of both the Company and Central Wealth, was considered to be interested in the transactions contemplated under the Loan Agreement and the Supplemental Agreement, and has abstained from voting on the relevant Board resolutions relating to the Loan Agreement, the Supplemental Agreement and the transactions contemplated thereunder. Apart from the aforesaid, none of the Directors has any material interest in the transactions and none of them is required to abstain from voting on the Board resolutions approving the Loan Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

## **INFORMATION OF THE GROUP AND GLOBALLY FINANCE**

The Company is an investment holding company. The Group are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) investment in film industry; (vi) trading business and related services; and (vii) licensing of e-commerce platform.

Globally Finance is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in money lending and related business in Hong Kong and holds a valid Money Lenders Licence under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out its business.

## **INFORMATION ON CENTRAL WEALTH**

Central Wealth is a company incorporated in Bermuda with limited liability which together with its subsidiaries is principally engaged in securities and futures dealing business, financial investments, property investments and money lending business. Central Wealth is a company listed on the Main Board of the Stock Exchange (stock code: 139).

As at the date of this announcement, the Group (through its subsidiaries) was interested in 907,605,316 Central Wealth Shares, representing approximately 5.68% of the issued share capital of Central Wealth as at the date of this announcement.

As at the date of this announcement, the Central Wealth Group was interested in 45,252,897 Shares, representing approximately 4.79% of the issued share capital of the Company as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, save as disclosed above, Central Wealth and its ultimate beneficial owner(s) are Independent Third Party.

## **IMPLICATIONS UNDER THE LISTING RULES**

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Facility (as amended and supplemented by the Supplemental Agreement) exceed 25%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to approval of the Shareholders at the EGM.

Furthermore, the granting of the Loan Facility under the Loan Agreement constitutes provision of financial assistance by the Group under the Listing Rules. As the amount of the financial assistance granted to Central Wealth exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan Facility is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

As any Shareholders who are involved in or interested in the Loan Agreement (as supplemented by the Supplemental Agreement) and the transactions contemplated thereunder are required to abstain from voting on the relevant ordinary resolution(s) approving the Supplemental Agreement and the transactions contemplated thereunder, Central Wealth and its associates will abstain from voting on the relevant ordinary resolution(s) to be proposed at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the 45,252,897 Shares held by the Central Wealth Group, no other Shareholder has any material interest in the transactions contemplated under the Loan Agreement and no other Shareholder is required from abstain from voting on the relevant ordinary resolution(s) approving the Supplemental Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among others, (i) details of the Loan Agreement and the Supplemental Agreement, and (ii) the notice of EGM is expected to be despatched to the Shareholders on or before 30 October 2020.

## DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Central Wealth”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139)
“Central Wealth Group”	Central Wealth and its subsidiaries
“Central Wealth Shares”	ordinary shares of HK\$0.01 each in the share capital of Central Wealth
“Company”	Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
“Directors”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approval the Supplemental Agreement and the transactions contemplated thereunder
“Globally Finance”	Globally Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries

“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 and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Loan(s)”	the revolving loan(s) drawn and to be drawn by Central Wealth under the Loan Facility granted by Globally Finance to Central Wealth under the Loan Agreement (as supplemented by the Supplemental Agreement, as the case maybe)
“Loan Agreement”	the original loan agreement dated 7 September 2017 (as supplemented by the first supplemental agreement dated 19 September 2017, the second supplemental agreement dated 25 April 2018)
“Loan Facility”	the revolving loan facility granted by Globally Finance to Central Wealth under the Loan Agreement (as supplemented by the Supplemental Agreement, as the case maybe)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.02 each in issue and in the unissued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”	the conditional supplemental agreement dated 7 October 2020 and entered into between Globally Finance as lender and Central Wealth as borrower in relation to, among others, the extension of the Loan Facility and the revision of interest rate
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Future World Holdings Limited**  
**Liang Jian**  
*Chairman*

Hong Kong, 7 October 2020

*As at the date of this announcement, the Board comprises (i) seven executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Wang Fei and Mr. Yu Qingrui; and (ii) five independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah, Mr. Wang Ning and Mr. Zheng Zongjia.*