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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Future World Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 ACQUISITION OF PROPERTY

A letter from the board of directors of Future World Holdings Limited (the “Company”) is set out on pages 4 to 12 of this circular. A notice convening an extraordinary general meeting of the Company to be held at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong at 11:30 a.m. on Wednesday, 18 August 2021 are set out on pages EGM-1 to EGM-3 of this circular. The proxy form for use at the aforesaid general meeting is enclosed with this circular. Such proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company’s control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EGM

The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the COVID-19, the Company will implement the following at the EGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (1) Compulsory body temperature checks will be conducted for every attendee at the entrance of the EGM venue. Any person who has a body temperature of over 37.5 degrees Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong government will be denied entry into or be required to leave the EGM venue.
- (2) Every attendee must wear a surgical face mask throughout the EGM and inside the EGM venue. Please note that no masks will be provided at the EGM venue and attendees should bring and wear their own masks.
- (3) The Company will maintain a safe distance between seats.
- (4) No refreshments or beverages will be served.
- (5) No distribution of coupons for subsequent consumption.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. The Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and return the proxy forms to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. The Shareholders should check the Company's website (www.fw-holdings.com) or the Stock Exchange's website (www.hkexnews.hk) for any future announcements and updates on the EGM arrangements.

DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser of the Property subject to and upon the terms and conditions of the Sale and Purchase Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Sale and Purchase Agreement
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, to approve the Acquisition and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Latest Practicable Date”	19 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Promissory Notes”	the promissory note in the principal amount of HK\$39,000,000 in the agreed form to be executed by the Purchaser for the purpose of settling part of the consideration of the Property
“Property”	the property located at G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong
“Purchaser”	Topsky Eagle Limited, purchaser to the Sale and Purchase Agreement, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 May 2021 and entered into between the Vendor and the Purchaser for the sale and purchase of the Property
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.02 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lam Yan Bing, the owner of the Property and the vendor to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Liang Jian
Yu Zhenzhong
Cai Linzhan
Lau Fai Lawrence
Siu Yun Fat
Wang Fei
Yu Qingrui

Independent Non-executive Directors:

Chen Pei
Siu Siu Ling, Robert
Tam Tak Wah
Zheng Zongjia

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal office of business:

Unit 2218, 22/F,
The Metropolis Tower,
10 Metropolis Drive,
Hung Hom, Kowloon,
Hong Kong

23 July 2021

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

As announced in the announcement of the Company dated 20 May 2021, the Purchaser, being a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Property by the Purchaser for an aggregate consideration of HK\$40,000,000.

LETTER FROM THE BOARD

As certain relevant percentages exceed 25% but all are less than 100%, the Acquisition constitutes a major transaction on the part of the Company under Rule 14.06 of the Listing Rules and is subject to, among others, the approval of the Shareholders at the EGM.

The purpose of this circular is to give you further details of the Sale and Purchase Agreement, the property valuation report in respect of the Property, a notice of the EGM and such other information as required by the Listing Rules.

SALE AND PURCHASE AGREEMENT

Date: 20 May 2021 (after trading hours)

Parties: (1) The Vendor
(2) The Purchaser

The Vendor is an individual and is the wife of cousin of Mr. Cai Linzhan, one of the executive Directors of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, the Vendor is an Independent Third Party.

The Purchaser is a wholly owned subsidiary of the Company incorporated in the Hong Kong and is principally engaged in investments holding.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property.

The Property is located at G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong.

Consideration:

The total consideration for the Acquisition is HK\$40,000,000, which shall be satisfied by the Purchaser in the following manner:

- (a) as to HK\$500,000, being the deposit (the “**Initial Deposit**”) and the part payment towards the consideration for the sale and purchase of the Property, shall be payable by the Purchaser to the Vendor within ten Business Days from the date of signing of the Sale and Purchase Agreement;
- (b) HK\$500,000 shall be payable by the Purchaser to the Vendor upon Completion; and

LETTER FROM THE BOARD

- (c) as to the remaining balance of HK\$39,000,000, which shall be payable by the Purchaser by issue the Promissory Notes in the principal amount of HK\$39,000,000 to the Vendor upon Completion.

The consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, among others, the preliminary property valuation of the Property of HK\$40,400,000. The Directors (including the independent non-executive Directors) consider the consideration of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The preliminary valuation of the Property was carried out by Colliers International (Hong Kong) Limited, an independent valuer to the Company and the date of preliminary valuation was 12 April 2021. The valuer valued the Property by direct comparison method with reference to comparable market transactions as reported in the market at similar locality. For details of the valuation of the property, please refer to the property valuation report as set out in Appendix II to this circular.

The Promissory Notes

The terms of the Promissory Notes have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Purchaser

Principal amount

HK\$39,000,000

Interest

The Promissory Notes will carry interest at the interest rate of 5% per annum. Interest shall be payable annually in arrears.

The interest rate was determined after arm's length negotiations with reference to the lending rate of loans of financial institutions.

Maturity

A fixed term of two years from the date of issue of the Promissory Notes.

LETTER FROM THE BOARD

Early repayment

The Purchaser could, at its option, early repay the Promissory Note with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HK\$1 million by giving a prior ten Business Days' written notice to the Vendor.

Transferability

The Promissory Note is transferrable in integral multiples of principal amount of HK\$1 million.

Conditions

The Acquisition is conditional upon the satisfaction of the following:

- (a) the Purchaser being satisfied that there are no title defects to the Property and it is free from all encumbrances;
- (b) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at a general meeting of the Company to be convened and held of the necessary ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereby, and all other consents and acts required to be obtained by the Purchaser under the Listing Rules and/or other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (c) the warranties provided by the Vendor under the Sale and Purchase Agreement remaining true, accurate and complete in all respects; and
- (d) the despatch of this circular by the Company in respect of the Acquisition as required under the Listing Rules.

The Purchaser may at any time at its absolute and sole discretion waive in writing the condition (a) set out above. The other conditions set out above are incapable of being waived. The Purchaser has no current intention to waive any conditions. If the conditions set out above have not been satisfied on or before 31 December 2021, or such later date as the Vendor and the Purchaser may agree in writing (the "**Long Stop Date**"), subject to the refund of Initial Deposit to the Purchaser, the Sale and Purchase Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled and/or waived.

LETTER FROM THE BOARD

Completion

Completion is expected to take place on or before 31 December 2021 subject to the fulfilment (or waiver) of the conditions (or such later date as the parties to the Sale and Purchase Agreement may agree) mentioned above.

Upon Completion, the Purchaser will be the owner of the Property.

INFORMATION ON THE PROPERTY

The Property is located at G/F, No. 20, Kwun Chung Street, Kowloon, Hong Kong. The Property is a commercial property with gross floor area of approximately 700 sq. ft.. The Property is currently lease out. Based on the land search record, the whole block of the property (including the Property and the remaining part of the whole block) was acquired by the Vendor in 2017 with a consideration of HK\$53,300,000.

Set below is the unaudited financial information of the Property:

	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2019 HK\$'000	For the year ended 31 December 2020 HK\$'000	For the period from 1 January 2021 up to 31 May 2021 HK\$'000
Rental income	200	660	1,680	700

As at the time of the acquisition of the Property by the Vendor in 2017, the Property was subject to tenancy with rental incomes lower than the market rate. Upon the expiry of the previous tenancy, in or around August 2019, a tenancy agreement was entered for a term of two years at a current monthly rent of HK\$140,000 (inclusive of management fees, government rent and rates) expiring on 31 August 2021. The Company is in the course of discussion for renewal of the existing tenancy and it is expected that the renewed tenancy terms would be similar to the existing tenancy terms.

Assuming that the tenancy agreement will be renewed at the same terms and completion will take place on or before 31 August 2021, the gross rental income of the Property for the period from 1 September 2021 to 31 December 2021 and the year ending 31 December 2022 shall be HK\$560,000 and HK\$1,680,000 respectively.

It is expected that the estimated annual expenses for the Property payable by the landlord shall be approximately HK\$15,000, which include land rent of approximately HK\$2,000 and land rates of approximately HK\$13,000.

LETTER FROM THE BOARD

For details of the valuation of the Property, please refer to the property valuation report as set out in Appendix IV to this circular.

REASONS FOR THE ACQUISITION

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.

The Directors have always been proactive in seeking opportunities for diversifying the scope of business of the Group. The Directors considered that the Acquisition represents an investment opportunity to participate in Hong Kong property investment market and the Property will generate stable income for the Group while at the same time the Group will have the benefits from the long term appreciation of the price in properties in Hong Kong.

The Directors are optimistic to the property market in Hong Kong. It is noted that under the Sale and Purchase Agreement, the Group need not to pay the entire consideration sum in cash at Completion and this will allow the Group to have cash reserves for its future business development.

The current tenant of the Property is Po Tai Securities (Hong Kong) Limited, which is an Independent Third Party. As at the Latest Practicable Date, the Company and the tenant are in the course of negotiations for the renewal of the tenancy.

The Company is exploring opportunities to maximize the returns of its Shareholders and broaden its revenue base. In light of the relative stable rental income of the Property, the Directors believe that it is an appropriate time to invest in the Property.

The Company did consider to the feasibility of acquiring the whole block of the property (instead of the Property alone). However, since the remaining part of the property other than the Property is for residential uses and there would be significant stamp duty to be payable by the Purchaser in acquiring the remaining part of the property, the Purchaser determines to only acquire the Property at this stage.

To the best knowledge, information and belief of the Directors having made reasonable enquiries, there are no restrictions on the uses, access or enjoyment of the Property, including but not limited to the lease out of the Property.

In view of the rental income from the Property with the possibility of future long term appreciation in value of the Property, the Directors believe that it is an appropriate time to invest in the Property, and the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are reasonable and fair and in the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

Since the Vendor is the wife of cousin of Mr. Cai Linzhan, one of the executive Directors of the Company, Mr. Cai has abstained from voting at the relevant Board resolutions approving the Acquisition due to his potential conflict of interests. Mr. Cai was also not involved in negotiation of the terms of the Acquisition.

Based on the “Unaudited Pro Forma Financial Information of the Group” as set out in Appendix III to this circular, the unaudited pro forma consolidated total assets of the Group as at 31 December 2020 would be decreased by approximately HK\$40,180,000 to approximately HK\$1,532,076,000 and the unaudited pro forma consolidated total liabilities of the Group as at 31 December 2020 would be increased by approximately HK\$40,180,000 to approximately HK\$578,843,000 million upon completion of the Acquisition and issue of the Promissory Notes. It is expected that the Property will generate stable rental income for the Group, which will enhance the earnings of the Group.

LISTING RULES IMPLICATION

The Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and the Acquisition is subject to the approval of Shareholders. To the best belief, information and knowledge of the Directors, after making reasonable enquiries, no Shareholders have a material interest in the Acquisition and are required to abstain from voting at the EGM.

To the best knowledge, information and belief of the Directors having made reasonable enquiries, the Vendor had leased the Property to Independent Third Party for rental income prior to the proposed Acquisition and therefore the Property was a revenue-generating asset with an identifiable income stream under Rule 14.67(6)(b)(i) of the Listing Rules. As such, the Company is required to include in this circular a profit and loss statement for the three preceding financial years on the identifiable net income stream of the Property in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules. The required profit and loss statement must be reviewed by the auditor or reporting accountants. In the case of the Company, such period covers the three financial years ended 31 March 2018, 2019 and 2020 (the “**Relevant Period**”).

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules after taking into account, among others, the following:

- (a) the provision of the historical profit and loss figures of the Property will not be meaningful to the Purchaser as far as ascertaining the title and value of the Property is concerned, nor will the historical profit and loss of the Property be relevant to the Purchaser in determining the consideration for the Acquisition, which is based on the valuation report;
- (b) an independent valuation report of the Property as appraised by the independent professional valuer is set out in Appendix IV to this circular;

LETTER FROM THE BOARD

- (c) the Acquisition will be approved by the Shareholders at the EGM to be held by the Company;
- (d) there will be alternative disclosures in the circular including (i) a summary of the tenancy agreement including monthly rental income; (ii) the estimated gross rental income for the Property for the two financial years; and (iii) the estimated monthly expenses for the Property payable by the landlord based on the terms of the tenancy agreement; and
- (e) despite the Company's request, the Vendor has expressed that she has no legal obligation to provide the relevant information in relation to the Property for the Relevant Period to the Purchaser.

Based on the alternative disclosures and that the provision of the historical profit and loss figures of the Property will not be meaningful for determining the consideration, the Board considers that the waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules would not create undue risk for the Shareholders and its investors.

The Stock Exchange has granted a waiver to the Company from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, on the condition that the Company would disclose the waiver (including details, reasons and the alternative disclosures) in the circular. As alternative disclosures, the Company discloses the unaudited rental income for the Property after the Acquisition as set out in Appendix II of this circular.

EGM

A notice convening the EGM to be held at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong on Wednesday, 18 August 2021 at 11:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the transactions contemplated under the Sale and Purchase Agreement and no Shareholder is required from abstain from voting on the relevant ordinary resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the Acquisition is fair and reasonable and is in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fw-holdings.com):

- annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (pages 51 to 151):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn20190425463.pdf>

- annual report of the Company for the year ended 31 December 2019 published on 27 April 2020 (pages 52 to 147)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701126.pdf>

- annual report of the Company for the year ended 31 December 2020 published on 27 April 2021 (pages 61 to 161):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700943.pdf>

2. INDEBTEDNESS STATEMENT

The following table set forth a breakdown of our indebtedness as at 31 May 2021, being the latest practicable date for the purpose of this indebtedness in this circular.

	As at
	31 May 2021
	<i>HK\$'000</i>
Bank borrowings (<i>note a</i>)	301,040
Other borrowings (<i>note b</i>)	117,142
Lease liabilities (<i>note c</i>)	<u>7,164</u>
	<u><u>425,346</u></u>

Notes:–

- (a) As at 31 May 2021, the bank borrowings are secured by the investment properties of the Group with a net carrying amount of approximately HK\$662,000,000, and bear interest at the bank's HK\$ Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month) at 31 May 2021.

- (b) As at 31 May 2021, the other borrowings are secured by the pledges of financial assets at fair value through other comprehensive income of approximately HK\$121,858,000 and an investment property of the Group with a net carrying amount of approximately HK\$283,000,000. The other borrowings bear interest ranging from the broker's HK\$ Prime Rate – 2% per annum to 9.5% per annum.
- (c) The Group entered into several lease agreements for leasing of office premises located in Hong Kong and the PRC and recognised right-of-use assets and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$7,164,000 as at 31 May 2021, which were classified as to HK\$1,780,000 as current liabilities and HK\$5,384,000 as non-current liabilities. The interest rates of the lease liabilities ranged from 1.8% to 4.9% per annum.

As at the close of business on 31 May 2021, the Group did not have any significant contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities and normal trade payable in the ordinary course of the business, as at the close of business on 31 May 2021, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that taking into account (i) the internal resources of the Group; (ii) the existing banking and other borrowing facilities available; and (iii) the existing cash and bank balances, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

The Company has obtained the comfort letter under Rule 14.66(12) of the Listing Rules that the persons or institutions providing finance have confirmed in writing the existence of such facilities.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2020 being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECTS

The Group is 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. The Group will continue to explore opportunities in these core businesses so as to create long-term value for its shareholders.

In 2019, the Board has initiated a revamp by appointing new Directors and new Chief Executive Officer of the Group. Leveraging on the expertise and experience of the new Directors and key management personnel, the Group has successfully embarked on new strategic initiatives and developed the business in relation to high technology and related services business. During the year ended 31 December 2020, the revenue from high technology business accounted for 77% of the Group's total revenue and recorded a segment profit of approximately HK\$21,823,000. It can be seen that high technology business has made a very important contribution to the Group and the high technology business has successfully driven the Group's business into new areas. The high technology business mainly revolves around industrial robot system, intelligence hardware for service robots and new energy transportation.

Technology is leading the world into a new era and changing the global economy. Industrial robots have also improved production efficiency and accuracy. Robotics will completely change manufacturing, construction and infrastructure processes, and bring a industrial new revolution. As the multilateral relations between China and other countries are becoming increasingly tense, cooperation between countries, especially cooperation in science and technology, is encountering unprecedented challenges. However, this is an excellent opportunity for China to vigorously and independently develop technological innovation. In the context of the huge demand in the Mainland China market and the rapid application of new technologies, the Group will devote more resources to bolstering its high technology business through development and acquisition of quality international and domestic projects.

After the Company entered into a global strategic co-operation agreement with HIT Robot Group Co., Ltd. (哈工大機器人集團股份有限公司) (“**HIT Robot Group**”) in 2019, pursuant to which each of the Company and HIT Robot Group will become global strategic co-operation partner and will co-operate with each other on their respective business areas including but not limited to intelligent robotics, artificial intelligence, 3C intelligence technology products and commodities trading, HIT Robot Group has become a substantial shareholder of the Company holdings approximately 20% issued share capital indirectly of the Company upon completion of the Right Issue in August 2020. The Group believes that the cooperation with HIT Robot Group and supported by HIT Robot Group's numerous industrial incubation bases in the Mainland China can speed up the development of the project.

HIT Robot Group was established in December 2014. Under “Made in China 2025”, encouraging innovation and shifting the economy to high-quality development, HIT Robot Group was engaged in robotics and related emerging industries, and relies on the construction, operation and model promotion of the HIT Robot Group’s “Science, Innovation, Production and Education” community to build a new technological innovation center. As a platform economy operator and a double-creation ecological service provider, HIT Robot Group takes “innovation + entrepreneurship + industry + education + capital” as its business structure, collaborative development of “real economy, technological innovation, modern finance, and human resources” as its business content, integration of “innovation chain, industrial chain, and capital chain” as its business process, system operation of “technological innovation, achievement transformation, industrial training” as its business goal. HIT Robot Group comprehensively serves the transformation of high-tech achievements and high-end talent entrepreneurship, serves the regional innovation systems construction and local industries transformation and upgrading, and serves the high-quality development and sustainable development of the economy.

In future, the Group will develop different innovative technology products and applications, pursue huge market opportunities and to diversify its high technology business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

The Directors are optimistic to the securities market development in Hong Kong and have resolved to continue its securities brokerage business. The Group obtained the licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities through a wholly owned subsidiary Future World Securities Investment Limited (formerly known as Oriental Power Securities Investment Limited) (“**FW Securities**”). FW Securities aims at providing broader and more diversified services to customers. FW Securities targets to provide securities dealing and advising securities services to its customers. FW Securities will provide broker-dealer services covering the stocks and investment-linked instruments listed in the Stock Exchange. FW Securities will act as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange or shareholders of companies listed or to be listed on the Stock Exchange for their fund raising exercises such as IPOs, rights issues, open offers or placing of new and/or existing shares and debt securities. FW Securities will charge placing or underwriting commission at a rate determined by negotiation with clients which is generally in line with market practice.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's revenue for the year ended 31 December 2020 has increased to HK\$234,659,000, which is 190% higher compared with the revenue of approximately HK\$80,916,000 for the year ended 31 December 2019. The increase of revenue was mainly attributed to the segment of high technology business. Details of high technology business are set out in "High Technology Business" section at below. The Group recorded a net loss of approximately HK\$38,003,000 attributable to shareholders of the Company for the year ended 31 December 2020 (2019: net loss of HK\$53,991,000) and basic loss per share of HK5.08 cents (2019: basic loss per share of HK8.76 cents) for the year ended 31 December 2020. The decrease in net loss was mainly attributable to net effect of (i) the Group recorded a profit of approximately HK\$21,823,000 from the segment of high technology business (2019: Nil); (ii) decrease in fair value loss of investment properties of approximately HK\$24,665,000; (iii) provision for credit loss allowances on loan and interest receivables of approximately HK\$1,433,000 (2019: reversal of credit loss allowances of approximately HK\$6,740,000); and (iv) realised loss on investments at fair value through profit or loss of approximately HK\$13,067,000 and there was no such item in last year.

Business Review

Since January 2020, the outbreak of the novel coronavirus (COVID-19) pandemic had severely impacted the global business environment. Nevertheless, up to the date hereof COVID-19 pandemic has not caused material financial difficulties to the Group. It mainly affected the development on electric motorcycle business in Indonesia and led to the postponement of the electric motorcycle business. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

High Technology Business

Innovation and technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing with it a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has achieved good progress in developing in high technology business including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. The strong technical backing of engineering teams enabled us to ensure our products consistently meet the most stringent quality requirements of our customers during the year. In addition to identifying room for improvement in management, the Group will also keep up research and development efforts to make sure it is well equipped in developing new products and in identifying business opportunities. During the year, the Group registered number of intellectual property rights in relation to the high technology business. The success of the Group's high technology business was unquestionably the result of its dedicated devotion in research and development.

During the year ended 31 December 2020, the revenue of approximately HK\$180,358,000 was generated (2019: Nil) and a profit of approximately HK\$21,823,000 (2019: Nil) was recorded for the segment of high technology business. The revenue in high technology business was contributed by intelligent industrial welding robots and equipment business and artificial intelligence products and application solutions business. The Group established a top welding tooling expert team for research and development, and be committed to the development, design, production and sales of a full range of non-standard customized positioner, all kinds of special welding and cutting tooling devices, and all kinds of unmanned and intelligent non-standard production lines. The products are delivered to the customers' designated locations as a package to its customers. Our products will be applied to pressure vessels, low-temperature equipment, special vehicles, rail transit, offshore wind power, engineering machinery and other industries. In term of artificial intelligence products and application solutions business, the main product is intelligent storage equipment with self-development system. The Group developed intelligent data storage software and registered number of intellectual property rights in relation to this data storage software. The Group purchased relevant hardware externally according to the customer's requirement and integrated with such intelligent data storage software. The data storage function includes data upload and read functions. The data recording module can automatically record the customer's data into the disc according to the configured recording strategy. The device automatically completes the entire process without user intervention. The intelligent storage equipment can create directories for sharing. The user can create, enable, disable, pause, clear, and add users to the shared directories. The intelligent storage equipment also has a hardware monitoring module, which monitors the status of hardware components such as controllers, optical storage devices, drives, robotic arms, and optical disc cartridges, and provides alarms for failures. Simultaneously, the intelligent storage equipment also has a backup function, which can be used for local backup and remote backup. For high

technology business, before the customer's acceptance of the finished products, the Group has no enforceable right to receive consideration from the customers for performance completed to date. Revenue is recognised at a point in time when control of the products has transferred to customers.

The Group has built up a technical team with strong technical and education background and years of experience in robotic related business, and their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. The Board considers that the development in high technology business will continuously contribute positively to the revenue and profit of the Group and will be beneficial to the development of the Group, thereby creating values to the Company and its shareholders.

Since the announcement of the global strategic partnership in 2019 and following the announcement of the rights issue in May 2020, HIT Robot Group has now become a substantial shareholder of the Company holding approximately 20% of the shareholding in the Company.

Since the formation of strategic co-operation with the HIT Robot Group in 2019, the Company has already made significant progress in developing the High Technology business segment including but not limited to the technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. The Group has an extensive variety of clients spanning across a number of different industries. These clients are generally involved in sectors relating and associated to the Company's High Technology business segment including, but not limited to welding, cutting equipment, trade and distribution, intelligent technology, intelligent equipment, industrial machinery and equipment, steel and other metals industries, clean energy and environmental protection, construction engineering, laser plate manufacturing, research and development, general manufacturing, mechanical and electrical equipment, robot automation and pressure vessels.

As at 31 December 2020, the operation team for the High Technology business segment comprises around 38 members of staff splitting across different departments of the Group.

Properties investment

The Group is currently holding (i) two residential properties located in Hong Kong which are on No. 19, Cumberland Road, Kowloon Tong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong (approximate saleable area of 6,892 square feet) and (ii) 19 retail units in a development district known as "Fortune Town" (振業城) located at Henggang Road, Longgang District, Shenzhen, the PRC (中國深圳市龍崗區橫崗街道).

During the year ended 31 December 2020, the Group recorded rental income of HK\$12,488,000 (2019: HK\$3,340,000) and fair value loss of HK\$3,125,000 (2019: fair value loss of HK\$27,790,000) arising from change in fair value of investment properties from the property investment segment.

The Group will continue to look for opportunity to expand and optimise its investment property portfolio with an aim to generate stable rental income and/or for capital appreciation.

Treasury business

The treasury business includes securities trading and investment business and money lending business.

Securities trading and investment business

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated financial statements. During the year, the Group’s securities trading portfolio comprised of equity securities of CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Central Wealth Group Holdings Limited (“**Central Wealth**”, stock code: 139), Huasheng International Holding Limited (“**Huasheng International**”, stock code: 1323), Dongwu Cement International Limited (“**Dongwu Cement**”, stock code: 695), Hong Kong Exchanges and Clearing Limited (“**HKEx**”, stock code: 388) and Tencent Holdings Limited (“**Tencent**”, stock code: 700) listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In light of the uncertainty in the future global economy with the recent COVID-19 outbreak, together having considered the funding needs of the Group, the Group disposed of part of the securities investments in order to realise its investments and to allow the Group to reallocate its resources to areas with better potential. As a whole, the securities trading and investment segment recorded a loss of approximately HK\$24,472,000 during the year ended 31 December 2020 (2019: HK\$14,411,000). The loss was mainly due to finance costs of approximately HK\$14,402,000 during the year ended 31 December 2020 (2019: HK\$19,698,000) and net realised loss from securities trading and investment of approximately HK\$13,067,000 during the year ended 31 December 2020 (2019: Nil). The Group recorded HK\$5,198,000 dividend income (2019: HK\$4,061,000) and an unrealised gain of securities investments under FVTPL of approximately HK\$148,000 (2019: HK\$4,133,000). For the securities under FVTOCI, the Group recorded a fair value loss of approximately HK\$35,859,000 during the year ended 31 December 2020 (2019: HK\$372,831,000) through other comprehensive income.

As at 31 December 2020, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at	Original cost of the interest as at	Market value of the interests as at	Fair value gain/(loss) for the year	Release of fair value reserve/Realised gain/(loss) for the year
		31.12.2020	31.12.2020	31.12.2020	for the year	for the year
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
FVTOCI						
CMBC Capital (Stock code: 1141)	1,480,600,000	3.109%	489,805	198,401	(17,965)	(110,043)
Central Wealth (Stock code: 139)	907,605,316	5.683%	82,758	18,152	(18,378)	(105)
Huasheng International (Stock code: 1323)	4,400,000	0.126%	3,080	3,564	484	-
Dongwu Cement (Stock code: 695)	-	-	-	-	-	352
Total			<u>575,643</u>	<u>220,117</u>	<u>(35,859)</u>	<u>(109,796)</u>
FVTPL						
Central Wealth	-	-	-	-	-	(13,074)
CMBC Capital	8,500,000	0.02%	1,020	1,139	119	-
HKEx (Stock code: 388)	600	0.00%	226	255	29	(7)
Tencent (Stock code: 700)	-	0.00%	-	-	-	14
Total			<u>1,246</u>	<u>1,394</u>	<u>148</u>	<u>(13,067)</u>
Grand-Total			<u>576,889</u>	<u>221,511</u>	<u>(35,711)</u>	<u>(122,863)</u>

As at 31 December 2020, the Group held securities investment portfolio with market value of approximately HK\$221,511,000 (31 December 2019: HK\$296,977,000). Except for the investment in CMBC Capital, at 31 December 2020, there were no other investments held by the Group of which value was more than 5% of the net assets of the Group.

Performance and prospects of the investees

CMBC Capital

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) was principally engaged in the business of brokerage and related services, securities investment and provision of finance. China Minsheng Banking Corporation Limited, one of the largest private banks in the PRC has indirect interest in over 60% of the issued shares capital of CMBC Capital as at 31 December 2019.

As mentioned in its annual result announcement for the year ended 31 December 2020, the CMBC Capital Group has recorded net profit amounted to approximately HK\$393 million, representing an increase of approximately 10.2% when compared to the year ended 31 December 2019 of HK\$357 million. The CMBC Capital Group's basic and diluted earnings per share were both HK0.83 cents (2019: both HK0.75 cents). Revenue has increased by approximately 4.1% to approximately HK\$1,019 million for the year ended 31 December 2020, compared to approximately HK\$979 million for the year ended 31 December 2019.

CMBC Capital closed at HK\$0.134 as at 31 December 2020 (31 December 2019: HK\$0.143).

Central Wealth

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are principally engaged in the securities and futures dealing business, financial investment, property investments and money lending business.

As mentioned in Central Wealth's annual result announcement for the year ended 31 December 2020, the net profit for the period was approximately HK\$28 million as compared to approximately HK\$208 million for the year ended 31 December 2019. Basic earnings per share attributable to ordinary equity holders of the parent for the year was approximately HK0.18 cents (2019: HK1.42 cents). The Central Wealth Group recorded a revenue of approximately HK\$670 million for the year ended 31 December 2020, compared to a revenue of approximately HK\$948 million for the year ended 31 December 2019.

Central Wealth closed at HK\$0.020 as at 31 December 2020 (31 December 2019: HK\$0.051).

Huasheng International

Huasheng International and its subsidiaries (the “**Huasheng International Group**”) are principally engaged in (i) production and sales of ready-mixed commercial concrete (“**Concrete Business**”); (ii) wholesale and retail of household consumables (“**Household Consumables Business**”); (iii) provision of money lending services (“**Money Lending Business**”); and (iv) provision of educational technology solutions through online education programs and provision of English language proficiency tests (“**Education Business**”). The Huasheng International Group was also engaged in (i) design and development of three-dimensional animations, augmented reality technology application and e-learning web application (“**Digital Technology Business**”); and (ii) provision of coal trading business (“**Coal Business**”), which were disposed of and classified as discontinued operations.

As mentioned in Huasheng International's interim report for the six months ended 30 September 2020, its net profit for the period was approximately HK\$9.5 million as compared to approximately HK\$13.5 million for the six months ended 30 September 2019. Basic earnings per share for the period was approximately HK0.288 cents (30 September 2019: HK0.541 cents).

Huasheng International closed at HK\$0.810 as at 31 December 2020 (31 December 2019: HK\$0.53).

Dongwu Cement

Dongwu Cement and its subsidiaries (the “**Dongwu Cement Group**”) was principally engaged in the production and sales of cement, and provision of sewage and sludge treatment operation and construction services.

As mentioned in Dongwu Cement's annual result announcement for the year ended 31 December 2020, the profit for the year was approximately RMB50,236,000, representing decrease of approximately 17.2% when compared to the year ended 31 December 2019. Dongwu Cement's basic and diluted earnings per share was RMB0.091 (2019: RMB0.121). The Dongwu Cement Group recorded a revenue of approximately RMB460,970,000 for the year ended 31 December 2020, compared to a revenue of approximately RMB571,150,000 for the year ended 31 December 2019.

As at 31 December 2020, the Group did not hold any Dongwu Cement shares.

HKEx

HKEx together with its subsidiaries (the “**HKEx Group**”) own and operate the only stock and futures markets in Hong Kong and clearing houses. It was mentioned in HKEx's annual report for the year ended 31 December 2020, the HKEx Group's total revenue and other income amounted to HK\$16.8 billion (2019: HK\$13.6 billion) and the profit attributable to shareholders was HK\$11.5 billion (2019: HK\$9.4 billion) for the year ended 31 December 2020, up 24% and 22% respectively as compared to 2019. The HKEx Group's basic earnings per share was HK\$9.11 (2019: HK\$7.49) and diluted earnings per share was HK\$9.09 (2019: HK\$7.47).

HKEx closed at HK\$425.00 as at 31 December 2020 (31 December 2019: HK\$253.00).

Tencent

Tencent and its subsidiaries (the “**Tencent Group**”) are principally engaged in the provision of value-added services and online advertising services to users in the People’s Republic of China (“**PRC**”). Its many services include social network, web portals, e-commerce, online/mobile games and provision of payment related services and other services. Tencent is one of the largest internet companies, as well as gaming company in the world. As mentioned in its annual results announcement for the year ended 31 December 2020, the Tencent Group recorded a revenue of approximately RMB482,064 million for the year (2019: RMB377,289 million). The profit attributable to its equity holders for the year ended 31 December 2020 was approximately RMB159,847 million (2019: RMB93,310 million). Basic and diluted earnings per share for the year ended 31 December 2020 were approximately RMB16.844 (2019: RMB9.856) and approximately RMB16.523 (2019: RMB9.643) respectively.

As at 31 December 2020, the Group did not hold any Tencent shares.

Money lending business

A wholly-owned subsidiary of the Group, Globally Finance Limited (“**Globally Finance**”), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the year ended 31 December 2020, Globally Finance generated revenue of approximately HK\$22,985,000 (2019: HK\$28,174,000) and recorded a profit of approximately HK\$21,684,000 (2019: HK\$32,726,000). During the year ended 31 December 2020, the Group assessed and estimated credit loss allowances for loan and interest receivables according to the requirements of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. Based on the result of credit assessment on debtors, the credit loss allowances as at 31 December 2020 was approximately HK\$21,710,000 (2019: HK\$20,277,000), and a provision for credit loss allowances for debtors of approximately HK\$1,433,000 was charged to consolidated profit or loss for the year ended 31 December 2020 (2019: reversal of provision for credit loss allowance of HK\$6,740,000 was credited).

Investment in film industry

China Wisdom Group Limited (“**China Wisdom**”), a wholly owned subsidiary of the Company, has entered into agreements with Ocean Wave Motion Pictures (International) Limited (“**Ocean Wave**”) in relation to investment and advancements in the following film projects:

Date of agreement	Film project	Investment/ Advancement amount	Annual interest rate	Investment return	Carrying amount of investment as at		Category
					31.12.2020 (as at 31.12.2019)	HK\$	
11.10.2017	Two Days 《兩天》	USD487,500	12%	Nil	5,243,000 (4,787,000)		Loan and interest receivables
12.06.2018	Papillon 《巴比龍》	USD675,000	8%	Nil	– (5,919,000)		Loan and interest receivables

During the year ended 31 December 2020, China Wisdom recorded interest income of approximately HK\$476,000 (2019: HK\$1,329,000) and a loss of approximately HK\$185,000 (2019: profit of approximately HK\$1,128,000) from the segment of investment in film industry. The decrease in revenue and profit was due to the amount of loan from film investment decreased during the year.

Trading business and related services

Trading business and related services include intelligent robots trading business, face mask, COVID-19 test kits business and anime product.

Facing the outbreak of the novel coronavirus (COVID-19) pandemic, the Group has ordered mask production lines and commenced mask production in April 2020. The Group has also engaged an independent third party for mask production on an OEM basis. However, with the alleviation of the COVID-19 outbreak since late April 2020 with the free distribution of protective masks (CuMask) by the Hong Kong government, having taken into consideration of the reduction in demand and needs, the Group has ceased its own local mask production and disposed the relevant subsidiary in May 2020 in order to control costs and expenses but retained its OEM mask production in order to keep flexibility. The disposal was completed on 14 May 2020 and the Group recorded a gain on disposal of approximately HK\$755,000. In addition, Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of Wenzhou OJA Biotechnology Co., Ltd. (also known as OJABIO) for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the

“Test Kits”) for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in human body and can provide affordable “early diagnosis” solution for the society. Relevant certifications have also been obtained for the Test Kits. During the year ended 31 December 2020, the mask and Test Kits products of the Group have been distributed and sold through a number of drugstores and one of the leading cosmetics retail chains in Hong Kong. Revenue of approximately HK\$3,984,000 was generated (2019: Nil) and a profit before income tax of approximately HK\$1,037,000 (2019: Nil) was recorded during the year ended 31 December 2020.

With a view to developing and expanding the Group’s intelligent robotics business from last year, the Group has entered into several trading agreements in relation to the sales of robots and related products. The revenue of approximately HK\$8,223,000 was generated during the year ended 31 December 2020.

In order to diversify the trading product, the Group developed well-known anime product. The product covered home and automobile related products. The revenue for anime products of approximately HK\$947,000 was generated during the year ended 31 December 2020.

During the year ended 31 December 2020, revenue of approximately HK\$13,154,000 was generated (2019: HK\$44,012,000) and a loss of approximately HK\$7,475,000 (2019: HK\$8,709,000) was recorded as a whole for the segment of trading business and related services. The Group will seek for business opportunity in the trading business.

Licensing of e-commerce platform

During the year ended 31 December 2020, no revenue (2019: Nil) was generated and no profit or loss was incurred (2019: loss of HK\$646,000) for the segment of e-commerce business. The Group will continue to look for any potential opportunity in the e-commerce business.

Financial Review

Liquidity, financial resources and funding

During the year ended 31 December 2020, the Group mainly financed its operations by cash generated from operation, rights issue and bank borrowings. The Group had total pledged bank deposits and cash and bank balances of approximately HK\$12,491,000 as at 31 December 2020 (2019: HK\$12,396,000). The Group had total borrowings of approximately HK\$448,718,000 (2019: HK\$485,430,000) are comprised of bank borrowings of approximately HK\$305,009,000 (2019: HK\$312,369,000) and other borrowings of approximately HK\$143,709,000 (2019: HK\$173,061,000) as at 31 December 2020.

Among bank borrowings, approximately HK\$89,489,000 are repayable within one year, HK\$9,849,000 are repayable over one year but not exceeding two years, HK\$30,797,000 are repayable over two years but not exceeding five years and HK\$174,874,000 are repayable over five years. The bank borrowings bear interest at the bank's HK\$ Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month).

The other borrowings are comprised of margin loans and revolving loan. The margin loan payables bear fixed interest ranging from 9% to 9.5% per annum. The margin loan payables are repayable within one year and was guaranteed by the Company. The revolving loan bear fixed interest rate of the bank's HK\$ Prime Rate – 2% per annum. Details are set out in Note 31 to the consolidated financial statements.

The gearing ratio, which is calculated as total borrowings divided by total equity, was 47.07% (2019: 51.96%) as at 31 December 2020. Net assets were approximately HK\$953,233,000 (2019: HK\$934,195,000) on the same date.

As at 31 December 2020, the Group has total current assets of approximately HK\$154,417,000 (2019: HK\$355,242,000) and total current liabilities of approximately HK\$533,162,000 (2019: HK\$500,770,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 0.29 as at 31 December 2020 (2019: 0.71). The decrease in current assets and current ratio was mainly due to the Group and Central Wealth entered into a supplemental loan agreement during the year ended 31 December 2020, pursuant to which Group has granted an aggregate irrevocable loan facility of HK\$270,000,000 to Central Wealth with effect from 1 January 2021 and the maturity date of these loans would be extended to 31 December 2023, and the loan receivable was reclassified as non-current assets. Further details of the extension of the loan facility are set out in the Company's announcement dated 7 October 2020 and the Company's circular dated 25 November 2020.

The Group's finance costs for the year was approximately HK\$21,132,000 (2019: HK\$26,856,000) and was mainly related to interests paid on the bank borrowings and margin loans. The decrease in finance cost was due to the total borrowings decrease during the year.

Pledge of assets

At 31 December 2020, the Group's investment properties, with carrying amount of HK\$662,000,000 (2019: HK\$664,000,000), have been pledged to secure the bank borrowings granted to the Group.

As at 31 December 2020, the Group had pledged an investment property with carrying amount of HK\$283,000,000 (2019: HK\$285,000,000) and the securities investment under FVTOCI of approximately HK\$209,397,000 (2019: pledged the securities investment under FVTOCI of approximately HK\$270,627,000 and the securities investment under FVTPL of approximately HK\$26,350,000) to secure the other borrowings.

As at 31 December 2020, a bank deposit in amount of EUR35,000 (2019: EUR160,000) in equivalent to HK\$336,000 (2019: HK\$1,410,000), has been pledged to a bank for the issuance of a letter of guarantee for trading business.

Foreign currency management

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of each group entity. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

Litigations and contingencies

As at 31 December 2020, the Group had no significant litigations and contingencies.

Employees and Remuneration Policies

As at 31 December 2020, the Group had 66 employees situated in Hong Kong and China (2019: 35 employees situated in Hong Kong). The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2020, the total staff costs including remuneration of directors and chief executive amounted to approximately HK\$30,703,000 (2019: HK\$15,605,000).

Going concern

Note (e) to the unaudited Unaudited Pro Forma Financial Information indicates that the Group has net current liabilities of approximately HK\$270,123,000 as at 31 December 2020.

This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The current liabilities of the Group include bank borrowings of approximately HK\$215,520,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly installments in 17-23 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

The Group would sell part of its financial assets in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of authorising the consolidated financial statements which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities.

Taking into account of the above consideration and measures, the Directors are satisfied that the Group will be able to meet its financial obligations when they fall due.

PROFIT AND LOSS STATEMENT OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the 3 preceding financial years ended 31 December 2018, 2019 and 2020 and the period from 1 January 2021 to 31 May 2021 (the “**Relevant Period**”) on the identifiable income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendor covering the Relevant Period is required. However, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group to gain full access to the abovementioned underlying books and records of the Vendor nor have they agreed to provide to the Group the above information in relation to the Property, except for copies of the tenancy agreements of the Property (the “**Tenancies**”). The Vendor is an individual and its financial information regarding the Property is not in the public domain. Without the aforesaid full access to the underlying books and records of the Property granted by the Vendor, it would not be possible for the Company to properly compile a profit and loss statement on the identifiable income stream in relation to the Property for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules.

A waiver to the Company from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules has been granted by the Stock Exchange.

The unaudited financial information of the Property for the Relevant Period as set out in this appendix has been prepared by the Directors based on the review of the Tenancies provided to the Company by the Vendor and may not give a true and complete picture of the performance of the Property during the Relevant Period.

According to the current tenancy agreement, the Property is subject to lease to a tenant for a term of two years at a current monthly rent of HK\$140,000 expiring on 31 August 2021.

Pursuant to the current tenancy agreement, the tenant is responsible for maintenance and repair charges, government rent and rate, all utilities expenses (drainage, electricity, gas, telephone and water) and other outgoings in respect of the Property. Due to the limited information available, the Directors are unable to ascertain whether there were any other expenses such as depreciation, finance costs and tax incurred for the Relevant Period. As such, all the above expenses are not included in the unaudited financial information of the Property set out in this appendix.

As the Group intends to hold the Property for investment purposes, the Property will be classified as investment property in its financial statements after Acquisition and stated at fair value. Accordingly there would be no depreciation for the Property. The Purchaser is subject to the Hong Kong corporation tax in relation to the net profit arising from the leasing of the Property at the prevailing tax rate of 16.5%.

Based on the Tenancies, the rental income of the Property for the Relevant Period is as follows:

	For the years ended 31 December			For the period from 1 January 2021 up to 31 May 2021
	2018	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Rental income	200	660	1,680	700

Notes:

1. The financial information in relation to the Property set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 December 2020.
2. The rental income for the Relevant Period is compiled from the Tenancies provided by the Vendor.
3. The Directors engaged Moore Stephens CPA Limited, the auditor of the Company, to conduct certain agreed-upon procedures on the rental income of the Property for the Relevant Period in accordance with Hong Kong Standard on Related Services 4400 “*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarized below:
 - (i) the auditor obtained the Tenancies from the Directors. The Tenancies were provided by the Vendor to the Group;
 - (ii) the auditor obtained a schedule setting out names of tenants, lease period, rent-free period and the corresponding rental income in respect of each of the Tenancies for the Relevant Period (the “**Rental Income Summary**”) prepared by the Directors and compared the information as shown in the Rental Income Summary with the corresponding information shown in the Tenancies;

- (iii) the auditor obtained a schedule setting out the calculation of the total rental income for each of the Relevant Period prepared by the Directors and compared the information as shown in the Rental Income Summary; and
- (iv) the auditor compared the total amount of rental income for the Relevant Period shown in the Rental Income Summary to the corresponding amount shown in the unaudited financial information of the Property.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter with the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the rental income has been properly compiled based on the information from the Tenancies and the Rental Income Summary.

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Consequently, no assurance is provided or expressed by the auditor of the Company on the unaudited financial information of the Property disclosed in this circular and the rental income for the Relevant Period.

Had the auditor of the Company performed additional procedures or had the auditor of the Company performed an assurance engagement in respect of the profit and loss statements of the Property in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to attention of the auditor of the Company that would have been reported.

Having taken into account the above disclosures of financial information of the Property, the Directors consider the omission of a profit and loss statement for the Property's net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

VALUATION OF THE PROPERTY

No valuation of the Property for each of the financial year end and the period end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation reports in respect of the Property from the Vendor. Instead a valuation of the Property as at 12 April 2021 as appraised by an independent valuer is prepared and set out in the Appendix IV of this circular.

(A) THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

1. Introduction

The following is the unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), comprising the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2020 and related notes (collectively, the “**Unaudited Pro Forma Financial Information**”).

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the purpose of illustrating the effect of the proposed major acquisition of property (the “**Acquisition**”) as described in the section headed “Letter from the Board” in this circular.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate the consolidated statement of assets and liabilities of the Group as at 31 December 2020 as if the Acquisition had been completed on 31 December 2020.

The Unaudited Pro Forma Financial Information of the Group is based upon the consolidated financial information of the Group for year ended 31 December 2020, which has been derived from the Company’s published annual report for the year then ended, dated 30 March 2021, after taking pro forma adjustments as summarised in the accompanying notes that are clearly shown explained, factually supportable and directly attributable to the Acquisition.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions, estimates and current available information. Accordingly, because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group had the Acquisition been completed as at the specified dates or any other dates.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2020 and other financial information included elsewhere in this circular.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

**2. Unaudited pro forma consolidated statement of assets and liabilities of the Group
as at 31 December 2020**

	Audited consolidated statement of assets and liabilities of the Group as at 31 December 2020	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (a)</i>	<i>Note (b)</i>	<i>Note (c)</i>	
Non-current assets				
Property, plant and equipment	2,161			2,161
Right-of-use assets	8,797			8,797
Investment properties	803,836	42,600		846,436
Interest in an associate	58			58
Financial assets at fair value through other comprehensive income	220,117			220,117
Loan receivables	298,451			298,451
Deferred tax assets	4,059			4,059
	<u>1,337,479</u>	<u>42,600</u>		<u>1,380,079</u>
Current assets				
Inventories	10,581			10,581
Loan and interest receivables	39,564			39,564
Financial assets at fair value through profit or loss	1,394			1,394
Trade, bills and other receivables	81,793			81,793
Contract assets	8,594			8,594
Pledged bank deposits and cash and bank balances	12,491	(2,700)	280	10,071
	<u>154,417</u>	<u>(2,700)</u>	<u>280</u>	<u>151,997</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

	Audited consolidated statement of assets and liabilities of the Group as at 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (b)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2020 <i>HK\$'000</i>
Current liabilities				
Trade payables, accruals and other payables	72,993	900	280	74,173
Contract liabilities	5,133			5,133
Lease liabilities	3,877			3,877
Bank borrowings	305,009			305,009
Other borrowings	143,709			143,709
Income tax payables	<u>2,441</u>			<u>2,441</u>
	<u>533,162</u>	<u>900</u>	<u>280</u>	<u>534,342</u>
Net current liabilities	<u>(378,745)</u>	<u>(3,600)</u>		<u>(382,345)</u>
Total assets less current liabilities	<u>958,734</u>	<u>39,000</u>		<u>997,734</u>
Non-current liabilities				
Promissory notes	–	39,000		39,000
Lease liabilities	<u>5,501</u>			<u>5,501</u>
	<u>5,501</u>	<u>39,000</u>		<u>44,501</u>
Net assets	<u><u>953,233</u></u>	<u><u>–</u></u>		<u><u>953,233</u></u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

Notes to the Unaudited Pro Forma Financial Information of the Group:

- (a) The Group's financial information is based upon the consolidated financial information of the Group for the year ended 31 December 2020, which has been derived from the Group's published annual report for the year then ended, dated 30 March 2021.
- (b) The adjustments are to reflect the Acquisition which included (i) the cash consideration of HK\$1,000,000; (ii) the promissory note of HK\$39,000,000; and (iii) other directly attributable costs of the Acquisition of approximately HK\$2,600,000, comprising stamp duty of approximately HK\$1,700,000, estimated referral fee of approximately HK\$800,000 and estimated legal fee of approximately HK\$100,000.

Summary of payment schedule is as below:

	<i>HK\$'000</i>
Cash consideration, of which HK\$500,000 would be paid (I) within ten business days from the date of signing of the sales and purchase agreement; and (II) upon completion, respectively	1,000
Stamp duty payable within 30 days from the date of signing of the sales and purchase agreement	<u>1,700</u>
Decrease in cash and bank balances	<u>-----</u> 2,700
Estimated referral fee payable after the completion of the Acquisition	800
Estimated legal fee payable after the completion of the Acquisition	<u>100</u>
Increase in other payables	<u>-----</u> 900
Promissory note, with a fixed term of two years from the date of issuance which can be early repaid at the discretion of the Group	<u>39,000</u>
	<u>-----</u> <u>42,600</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

The property is classified as investment properties as the Group intends to hold the property for rental and/or capital appreciation purposes. The investment properties are initially measured at cost (inclusive of transaction costs) and subsequently measured at fair value.

- (c) The adjustment reflects the recognition of rental deposit from tenants of approximately HK\$280,000 in respect of the property, as if the Acquisition had been completed on 31 December 2020. Pursuant to the sales and purchase agreement, the vendor has to transfer the rental deposit from tenants in respect of the property to the Group upon the completion of the Acquisition.
- (d) No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 31 December 2020 for the unaudited pro forma consolidated statement of assets and liabilities.
- (e) Assuming the Acquisition was completed on 31 December 2020, the Group has net current liabilities of approximately HK\$382,345,000 as at 31 December 2020. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the followings when they prepared the Unaudited Pro Forma Financial Information:

The current liabilities of the Group include bank borrowings of approximately HK\$215,520,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 17-23 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

The Group would sell part of its financial assets at fair value through other comprehensive income in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of this circular which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities.

Taking into account of the above consideration and measures, the directors of the Company are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Unaudited Pro Forma Financial Information on a going concern basis.

Should the Group be unable to continue as going concern, adjustments would have to be made to the Unaudited Pro Forma Financial Information to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the Unaudited Pro Forma Financial Information.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP

**(B) INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountant, Moore Stephens CPA Limited, *Certified Public Accountants*, Hong Kong, in respect of the Group’s unaudited pro forma financial information for the purpose in this circular.



Moore Stephens CPA Limited

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**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF FUTURE WORLD HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2020 and related notes as set out in Part A of Appendix III to the circular dated 23 July 2021 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed major acquisition of a property (the “**Acquisition**”) on the Group’s assets and liabilities as at 31 December 2020 as if the Acquisition had taken place at 31 December 2020. As part of this process, information about the Group’s assets and liabilities as at 31 December 2020 has been extracted by the Directors from the annual report of the Group for the year ended 31 December 2020, dated 30 March 2021, on which an audit report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “*Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Material Uncertainty Related to Going Concern

We draw attention to Note (e) to the Unaudited Pro Forma Financial Information, which indicates that the Group has pro forma net current liabilities of approximately HK\$382,345,000 as at 31 December 2020. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Moore Stephens CPA Limited

Certified Public Accountants

Ng Ngai Yan

Practising Certificate Number: P07422

Hong Kong, 23 July 2021

The following is the text of a letter and valuation report prepared for the propose of incorporation in this circular received from Colliers International (Hong Kong) Limited, an independent property valuer, in connection with its valuation as at 12 April 2021 of the property.

Colliers International (Hong Kong) Limited
Valuation & Advisory Services
Company Licence No: C-006052

Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong

The Colliers logo consists of the word "Colliers" in a bold, serif font, enclosed within a rectangular border. Below the text, there are three horizontal lines of varying lengths, creating a stylized base for the logo.

The Board of Directors

Future World Holdings Limited
Unit 2218, 22/F
The Metropolis Tower
10 Metropolis Drive
Hung Hom, Kowloon

Dear Sirs,

Instructions, Purpose and Valuation Date

We refer to your instructions for us to assess the market value (the “**Market Value**”) of G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong (the “**Property**”) which will be acquired by wholly owned subsidiary of Future World Holdings Limited (the “**Company**”) and together with its subsidiary, the “**Group**”). We confirm that we have carried out an inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 12 April 2021 (the “**Valuation Date**”) for acquisition purpose.

Valuation Standards

The valuation has been carried out in accordance with the prevailing valuation standards, namely, the Royal Institution of Chartered Surveyors’(RICS) Valuation – Global Standards, incorporating the International Valuation Standards Council’s International Valuation Standards and with reference to the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors. We have also complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Valuation Basis

Our valuation is provided on the basis of Market Value, which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Market Value is understood as the value of an asset or liability without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Valuation Assumptions

- We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value.
- It is assumed that any land premium or other fees payable for the acquisition, transfer, sale, letting or mortgage of the Property have been fully paid and settled.
- We have assumed proper title has been obtained, and the Property and the interest valued therein can be freely transferred, mortgaged and let in the market.
- As the Property is held under a long term government lease, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the lease, in accordance with the terms of the lease.
- We are not aware of any easements or rights of way affecting the Property and have assumed that none exist.
- We have assumed that all information, estimates and opinions furnished to us and contained in this report including all information provided by the Client, are true and correct, fit for valuation purposes, and from reliable sources. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of areas, nor have we tested any of the services and facilities. We have assumed that the areas shown on the documents provided to us are correct and that the services and facilities are in good working order.
- We have assumed that the Property is free from any contamination and environmental problems or hazards.
- We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements.
- We have assumed that for any use of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained and are ordinarily renewable.

Valuation Approaches and Methods

We have valued the Property by the Market Approach – Direct Comparison Method:

The Market Approach – Direct Comparison provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. In analysing such sales, which qualify as arm’s-length transactions between willing buyers and sellers, adjustments are made to reflect differences between the comparables and the subject of this valuation in matters such as transaction dates, size, location, quality, age and amenities and any other relevant factors, to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence is available.

Inspection

We have inspected the exterior and, where possible, the interior of the Property on 3 June 2021. No structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects or deleterious materials. No tests were carried out on any of the services and we cannot advise on the adequacy of plant and machinery servicing the Property and its tenants. We have assumed that the Energy Performance certificates on the Property are of a marketable standard and will not prejudice any sales or lettings.

Sources of Information

We have relied upon information provided by the Group in respect of the title documents and area measurements of the Property which have been accepted as correct for the purposes of this valuation. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

Property Measurement

We have relied upon the measurements provided to us by scaled off measurement from registered floor plan. No on-site measurements have been taken.

We have not carried out detailed site measurements to verify the correctness of the area in respect of the Property but have assumed that the area shown on the documents and official plan handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Currency

All monetary figures stated in this report are in Hong Kong dollars (HK\$).

Our valuation particular is attached hereto.

Yours faithfully,

For and on behalf of

Colliers International (Hong Kong) Limited

Nancy Chan

MHKIS MRICS RPS(GP) MCIREA

REGISTERED REAL ESTATE APPRAISER PRC

Associate Director

Valuation and Advisory Services

Hannah Jeong

MSc (Real Estate) MRICS MHKIS RPS(GP)

Head

Valuation and Advisory Services

Note: Hannah Jeong holds a Master of Science Degree, is a Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) with over 16 years' experience in the real estate industry. Her valuation experience covers Hong Kong, the United Kingdom, Central and West Asia, Greater China, Korea and other regions.

Nancy Chan is a Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice), a member of the China Institute of Real Estate of Real Estate Appraisers and Agents and a registered Real Estate Appraiser PRC with over 10 years' experience in the real estate industry. Her valuation experience covers Hong Kong, the United Kingdom, Central Asia, Greater China, Asia Pacific and other regions.

VALUATION PARTICULARS

Property interests for which the Group is considering acquisition for investment purposes:

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 12 April 2021
Ground Floor, No. 20 Kwun Chung Street, Kowloon, Hong Kong (“the Property”)	The Property is a commercial unit located on the G/F of a 6-storey tenement building completed in 1959.	As per the tenancy agreement provided by the client, the Property is subject to a tenancy for a term of two years at a current monthly rent of HK\$140,000 (inclusive of management fees, government rent and rates) expiring on 31 August 2021.	HK\$40,400,000 (Forty Million Four Hundred Thousand Only)
Portion of The Remaining portion of Kowloon Inland Lot No. 3250*	<p>Pursuant to the Occupation Permit No. K133/59, the Property was built in 1959.</p> <p>As scaled off from the registered floor plan, the saleable area is approximately 684 sq. ft. with a yard of 96 sq. ft.. The effective area is about 700 sq. ft..</p> <p>Frontage abuts on Kwun Chun Street.</p> <p>Kowloon Inland Lot No. 3250 is held under government lease for a term of 75 years renewable for another 75 years commencing from 9 May 1930. The government rent of the Property is HK\$3,852 per annum.</p>		

Notes:

- (1) The registered owner of the Property is Lam Yan Bing by an Assignment dated 29 May 2017 at a consideration of HK\$53,300,000, registered vide Memorial No. 17060900980138.

- (2) The Property lies within an area zoned as “Residential (Group A)” under Approved Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 gazetted under section 9(1)(a) on 13 December 2013.
- (3) The Property is subject to the following encumbrances:
- Verandahs & Balconies Undertaking dated 23 January 1934, registered vide Memorial No. UB140854;
 - Mortgage in favour of Public Bank (Hong Kong) Limited dated 29 May 2017, registered vide Memorial No. 17060900980140; and
 - Rental Assignment in favour of Public Bank (Hong Kong) Limited dated 29 May 2017, registered vide Memorial No. 17060900980154.
- (4) The Property was inspected by Nancy Chan and Chris Wong, Senior Valuer (BSc (Hon) Property Management) with two years experiences on 3 June 2021.
- (5) This certificate was prepared by Hannah Jeong *MRICS MHKIS RPS(GP)* and Nancy Chan *MRICS, MHKIS, RPS(GP), MCIREA, Registered Real Estate Appraiser PRC*.
- (6) The Property is situated at No. 20 Kwun Chung Street, Jordan, Kowloon, a commercial property on the ground floor of a residential building. Developments in the vicinity comprise old domestic buildings, community facilities, retail shops and West Kowloon Terminus. The Property is about 10 minutes walking distance and 5 minutes’ walking distance far to MTR Austin Station and MTR Jordan Station respectively. Public transport such as buses, public light buses and taxis are available along Austin Road.
- (7) Pursuant to the Sale and Purchase Agreement dated 20 May 2021, the capital value of the Property was HK\$40,000,000.
- * *No undivided shares for the Property as per the land search.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long position in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of Shares and underlying Shares	Approximate percentage of the total issued share capital of the Company
Siu Yun Fat	Beneficial owner	19,005,168 ^(note 1)	2.01%
Yu Qingrui	Beneficial owner	18,235,389 ^(note 2)	1.92%
Cai Linzhan	Beneficial owner	17,179,625 ^(note 3)	1.81%
Tam Tak Wah	Beneficial owner	13,367 ^(note 4)	0.001%

Notes:

- Siu Yun Fat is interested in 3,440,000 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.

2. Yu Qingrui is interested in 2,670,221 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.
3. Cai Linzhan is interested in 1,614,457 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.
4. Tam Tak Wah is interested in 13,367 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executive of the Company) in the Shares, underlying Shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Long position in the Shares

Name	Capacity/ Nature of interest	Number of Shares and underlying Shares	Approximate percentage of the total issued share capital of the Company
HRG Robotics International Limited ("HRG Robotics") (Note 1)	Beneficial owner	189,080,000	20.0%
Zhang Xiao Jun	Beneficial owner	60,000,000	6.35%

Notes:

1. HRG Robotics is a company incorporated in Hong Kong in July 2017. HRG Robotics is wholly-owned by HIT Robot Group Shanghai Technology Service Co., Ltd.* (哈工大機器人集團上海科技服務有限公司), which in turn is wholly-owned by HIT Robot Group Co., Ltd.* (哈工大機器人集團股份有限公司) (“**HIT Robot**”). HIT Robot was established in December 2014 as an enterprise jointly set up by Heilongjiang provincial government, the municipal government of Harbin and Harbin Institute of Technology. Based on the public record, HIT Robot is owned as to 30.01% by Harbin Industrial University Asset Investment Company Limited* (哈爾濱工業大學資產投資經營有限責任公司) which is wholly-owned by Harbin Industrial University* (哈爾濱工業大學), 20.30% by HIT Qifu Investment Co., Ltd.* (哈爾濱工大啟賦投資有限公司) and the remaining equity interest is held by 12 individual, corporate entities or partnerships, each of them holds less than 10% equity interest in HIT Robot. HIT Robot and its subsidiaries (the “**HIT Robot Group**”) are principally engaged in the design, development, manufacturing and sales of robots and specializes in robotics industry and related businesses. Mr. Wang Fei, an executive Director of the Company, is also the chairman of HIT Robot. Mr. Wang Fei is interested in approximately 59.99% of HIT Qifu Investment Co., Ltd.* (哈爾濱工大啟賦投資有限公司).

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, Mr. Yu Qingrui is a director of Central Wealth Group Holdings Limited (“**Central Wealth**”), the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 139), and holds 126,845,610 shares in Central Wealth respectively, representing approximately 0.79% of the issued share capital of Central Wealth whose principal activities are securities and futures dealing business, financial investment, property investments and money lending business. The Company and Central Wealth are separate listing entities run by separate and independent management. Mr. Yu Qingrui cannot personally control the Board and is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, Central Wealth.

As at the Latest Practicable Date, Mr. Tam Tak Wah held directorships in Kingbo Strike Limited (Stock Code: 1421) with its subsidiaries engaged in the businesses of securities trading and investment, provision of financing services and investment in properties, Mr. Siu Siu Ling, Robert held directorship in China Saite Group Company Limited (Stock Code: 153) and Finet Group Limited (Stock Code: 8317) and Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Wang Fei and Mr. Chen Pei held directorships in companies, which are companies in association with the HIT Robot Group engaged in high technology business. The aforesaid companies have been operating under separate and independent managements. None of the above-mentioned Directors can personally control the Board and each of them is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the Directors or their respective associates were considered to have interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contract (not being contract in the ordinary course of business of the Company) has been entered into by members of the Group within two years immediately preceding the date of this circular which is or may be material:

- (1) the conditional sale and purchase agreement dated 3 July 2019 and entered into between Weng Shiqing and Lin Zherui as vendors and Best Pacific Global Limited, a direct wholly-owned subsidiary of the Company as purchaser in respect of the acquisition of the entire issued share capital of Rich Power International Holdings Limited at the consideration of HK\$148,000,000;
- (2) the underwriting agreement dated 22 May 2020 and entered into between the Company as issuer and Central Wealth Securities Investment Limited as underwriter in relation to the underwriting arrangement in respect of the rights issue on the basis of one (1) rights share (after share consolidation of the issued and unissued shares on the basis of twenty (20) then existing Shares into one (1) consolidated share) for every two (2) consolidated shares held on the record date at the subscription price of HK\$0.18 per rights share with underwriting commission of 5% of the aggregate subscription price;
- (3) the placing agreement dated 22 May 2020 and entered into between the Company as issuer and Po Tai Securities (Hong Kong) Limited as placing agent in relation to the placing of unsubscribed rights shares at the subscription price of HK\$0.18 per rights share with placing commission at the rate of 3.5% of the shares successfully placed;
- (4) the supplemental agreement dated 7 October 2020 and entered into between Globally Finance Limited, a wholly-owned subsidiary of the Company, as lender and Central Wealth as borrower in relation to, among others, the extension of the loan facility in the principal amount of up to HK\$270,000,000 and the revision of interest rate from 8% per annum to 7% per annum; and
- (5) the Sale and Purchase Agreement.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

Expert	Qualification
Colliers International (Hong Kong) Limited	independent professional property valuer
Moore Stephens CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name in the form and context in which they are included. As at the Latest Practicable Date, the above expert is not beneficially interested in the share capital of any member of the Group and does not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, the above expert does not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION OF THE GROUP

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarter and principal place of business in Hong Kong	Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong
Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shop 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Company secretary	Mr. Lau Cheuk Pun, <i>a member of the Hong Kong Institute of Certified Public Accountants.</i>

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum of association and the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2019 and 31 December 2020 respectively;
- (c) the property valuation report issued by Colliers International (Hong Kong) Limited in relation to the Property, the text of which is set out in Appendix II to this circular;
- (d) independent reporting accountant's assurance report from Moore Stephens CPA Limited in respect of the unaudited pro forma financial information of the Group as set out in Appendix III to this circular;
- (e) the material contracts referred to in the paragraph headed "Material Contracts" of this appendix;
- (f) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix; and
- (g) this circular.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Future World Holdings Limited (the “**Company**”) will be held at 11:30 a.m. on Wednesday, 18 August 2021 at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) dated 20 May 2021 and entered into between Lam Yan Bing as vendor and Topsy Eagle Limited as purchaser in relation to the sale and purchase of the property located at G/F, No. 20, Kwun Chung Street, Kowloon, Hong Kong (details of the Sale and Purchase Agreement are set out in the circular of the Company dated 23 July 2021, and a copy of the Sale and Purchase Agreement is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and
- (b) any one or more director(s) of the Company (each a “**Director**”) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal of the Company, where applicable) which he/they consider(s) necessary, desirable or expedient to give effect to the Sale and Purchase Agreement and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

Yours faithfully,
For and on behalf of
the Board of Directors of
Future World Holdings Limited
Liang Jian
Chairman

Hong Kong, 23 July 2021

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 2218, 22/F, The Metropolis Tower,
10 Metropolis Drive, Hung Hom,
Kowloon, Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space for the name of your proxy on the form of proxy, the chairman of the EGM will act as your proxy.
6. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited Shop 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment of such meeting.
7. Personal Information Collection Statement: Your supply of Personal Data to the Company and/or the Company's Registrars in Bermuda and Hong Kong in the form of proxy is on a voluntary basis. If you fail to provide sufficient information, we may not be able to process your appointment of proxy and instructions. "Personal Data" in this statement has the meaning defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "PDPO"), which may include but is not limited to the Personal Data you supplied to us in the form of proxy. Your Personal Data is collected for the purposes of processing and administration by the Company (or its Registrars in Bermuda and Hong Kong (as the case may be)) of proxies appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof) (the "Purposes"). The Personal Data may be retained for such period as may be necessary for our verification and record purposes. If you have provided Personal Data of individuals other than yourself in the form of proxy, you confirm that you have informed and sought the requisite consent from those individuals to the collection, use and disclosure of their Personal Data for the stated purposes. The Company may disclose or transfer the Personal Data to its subsidiaries, its Registrars, its agent, its contractor, and/or third party service provider who provides administrative, computer and other services to the Company for

NOTICE OF EGM

use in connection with the Purposes and to such parties who are authorised by law to request the Personal Data or are otherwise relevant for the Purposes and need to receive the Personal Data. You have the right to request access to and/or correction of your Personal Data respectively in accordance with the provisions of the PDPO.

8. The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.
9. As at the date of this notice, the Board comprises 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) four independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.