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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)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR
EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

Underwriter



Central Wealth Securities Investment Limited

中達證券投資有限公司

PROPOSED RIGHTS ISSUE

The Company proposes to conduct the Rights Issue to raise a gross proceed of approximately HK\$69.65 million by way of a rights issue of 116,095,491 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), at the Subscription Price of HK\$0.6 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date. The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

Pursuant to the Underwriting Agreement, the Underwriter shall procure for subscription of the Underwritten Shares.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$60 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Company intends to apply the net proceeds from the Rights Issue for repayment of indebtedness of the Group.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.27A(1) of the Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

GENERAL

The register of members of the Company will be closed from Thursday, 27 July 2023 to Monday, 31 July 2023 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

As at the date of this announcement, there are no controlling Shareholders and the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Directors (excluding the independent non-executive Directors) hold an aggregate of 133,511 Shares, representing approximately 0.12% of the issued share capital of the Company.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Rights Issue; and (ii) a notice convening the EGM, is expected to be despatched on Thursday, 13 July 2023 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Upon the approval by the Shareholders at the EGM having been obtained, the Prospectus Documents will be despatched to the Qualifying Shareholders on Monday, 21 August 2023. The Prospectus, without the PAL and the EAF, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL PAID RIGHTS

The Shares will be dealt on an ex-rights basis from Wednesday, 9 August 2023. Dealings in the nil-paid rights are expected to take place from Wednesday, 23 August 2023 to Wednesday, 30 August 2023 (both days inclusive). If the conditions of the Rights Issue (please refer to the section headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or nil-paid rights is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional.

(1) PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below (assuming there have been no change in the issued share capital of the Company on or before the Record Date):

Issue statistics

Basis of the Rights Issue: One (1) Rights Share for every one (1) existing Share held on the Record Date

Subscription Price: HK\$0.6 per Rights Share

Number of existing Shares in issue as at the date of this announcement:	116,095,491 Shares
Number of Rights Shares:	116,095,491 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares:	HK\$46,438,196.4 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of issued Shares immediately upon completion of the Rights Issue:	232,190,982 Shares, (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Maximum funds raised before expenses:	approximately HK\$69.65 million before costs and expenses
Rights of excess application:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the date of this announcement, there are 4,125,366 outstanding Share Options granted by the Company exercisable into 4,125,366 Shares. Save for the foregoing, the Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 116,095,491 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 100% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription price

The Subscription Price is HK\$0.6 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, applies for Excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 27.71% to the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 23.27% to the average closing price of HK\$0.782 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 16.08% to the theoretical ex-rights price of HK\$0.715 per based on the closing price of HK\$0.83 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a theoretical dilution effect (as defined under rule 7.27B of the Listing Rules) of approximately 13.86% of the theoretical diluted price of HK\$0.715 per Share to the benchmarked price of HK\$0.83 per Share.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.52.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to, amongst other factors, (i) the recent closing prices of the Shares; (ii) the prevailing market conditions; and (iii) the funding needs of the Company set out in the section headed "Reasons for the Rights Issue" below.

After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue" below, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid, the record date of which is after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, any relevant transfer documents (together with the relevant share certificates) must be lodged with the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 August 2023. It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 8 August 2023 and the Shares will be dealt with on an ex-rights basis from Wednesday, 9 August 2023.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:00 p.m. on the Latest Acceptance Date.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by duly completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will send copies of the Overseas Letter and the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL and the EAF to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will make enquiry regarding the legal restrictions under the laws of the relevant overseas place(s) and the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry and based on legal opinion provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in the relevant place(s), no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders.

As at the date of this announcement, there are no Overseas Shareholder.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

Applications for Excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for. Pursuant to Rule 7.21(3)(a) of the Listing Rules, the Directors will allocate any Excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no references will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preferences will be given to applications for topping up odd-lot holdings to whole lot holdings.

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors whose Shares are held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated, rounded down to the nearest whole number and will be disposed by the Company in the open market if a premium (net of expenses) can be obtained. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Conditions of the Rights Issue

The Rights Issue will be conditional upon the Underwriting Agreement becoming unconditional. For details of the conditions of the Underwriting Agreement, please refer to the section headed “Underwriting Agreement – Conditions of the Underwriting Agreement” in this announcement

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

The board lot size of the nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, i.e. 2,000 Shares in one board lot.

Stamp Duty and other applicable fees and charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Share certificates for the Rights Shares and refund cheques

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before Wednesday, 13 September 2023 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments and excess applications (if applicable) will be refunded to the Qualifying Shareholders or such other person to whom the nil-paid rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or around Wednesday, 13 September 2023. No receipt will be given for such remittance.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No irrevocable commitments

The Company has not received any irrevocable commitments to accept or reject the Rights Shares.

THE UNDERWRITING AGREEMENT

Principal terms of the Underwriting Agreement are as follow:

Date:	16 June 2023
Issuer:	The Company
Underwriter:	Central Wealth Securities Investment Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties

Number of Underwritten Shares and the underwriting arrangement:	Pursuant to the Underwriting Agreement, the underwritten Shares to be underwritten by the Underwriter shall be equivalent to the number of the Rights Shares, i.e. 116,095,491 Rights Shares.
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The actual amount of Rights Shares to be underwritten by the Underwriter will depend on the level of subscriptions by the Qualifying Shareholders.

Commission and expenses:	2.5% of the aggregate Subscription Price in respect of the actual number of Underwritten Shares underwritten, subscribed for or procured subscription for by the Underwriter pursuant to the Underwriting Agreement
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The terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and the Underwriter, taking into account the following factors: (i) the recent closing prices of the Shares; (ii) the prevailing market conditions; and (iii) the funding needs of the Company set out in the section headed "Reasons for the Rights Issue" below.

The Directors are of the view that the terms of the Underwriting Agreement are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders (or the Independent Shareholders, as the case maybe) at the EGM to approve the Rights Issue;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (d) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully paid forms) by no later than the Business Day prior to the first day of their dealings;
- (e) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (f) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (g) there being no specified event occurring prior to the Latest Time for Termination; and

- (h) the Shares remaining listed on the Main Board of the Stock Exchange at all times prior to the Latest Time for Termination and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than ten (10) trading days at any time prior to the Latest Time for Acceptance.

The Company shall use all reasonable endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree. The conditions precedent, other than condition (f) above which can only be waived by the Underwriter, are incapable of being waived. If any of the conditions is not satisfied or waived (as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (b) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue, or materially and adversely affect the market price of the Shares; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure (whether or not covered by insurance or responsibility has been claimed) including, without limiting the generality thereof, acts of government, strikes, lock-outs, fire, explosions, flooding, earthquakes, epidemics, pandemics, outbreaks of infections, diseases, Severe Acute Respiratory Syndrome (SARS), Influenza A (H5N1), Influenza A(H5N9), COVID-19 and any related or mutated forms of infectious diseases, civil commotions, economic sanctions, public disorder, social or political crises, acts of war, acts of terrorism, acts of God, accidents or interruptions or delays in transportation in or affecting any relevant jurisdiction in which the Group has business operation; or
- (e) a valid demand by any creditor for repayment or payment of any indebtedness of the Company or any member of the Group or in respect of which the Company or any member of the Group is liable prior to its stated maturity; or
- (f) any other material adverse change in the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (g) the Prospectus Documents in connection with the Rights Issue when published contain information (either as to business prospects or the financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a reasonably prudent investor not to apply for its assured entitlements of Rights Shares under the Rights Issue; or

- (h) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (i) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (j) any moratorium, suspension or material restriction on trading of the shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

If the Underwriter gives a notice of termination to the Company in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises its rights to terminate the Underwriting Agreement, the Rights Issue will not proceed.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Shareholders (assuming that there is no change in the issued share capital of the Company other than the Rights Issue); and (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Shareholders (assuming that there is no change in the issued share capital of the Company other than the Rights Issue).

	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up all the entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders has taken up any entitled Rights Shares)	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Directors	133,511	0.12	267,022	0.12	133,511	0.06
Shareholder(s) procured by the Underwriter (<i>Note 1</i>)	–	–	–	–	116,095,491	50.00
Other Shareholders	115,961,980	99.88	231,923,960	99.88	115,961,980	49.94
Total	116,095,491	100.00	232,190,982	100.00	232,190,982	100.00

Notes:

- Pursuant to the Underwriting Agreement, the Underwriter undertakes to the Company that the Underwriter shall use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Rights Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 30% or more of the voting rights of the Company upon completion of the Rights Issue.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
- These scenarios are for illustrative purpose only

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Set out below is the expected timetable for the proposed Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Expected Timetable	2023
Despatch of the circular of the Rights Issue	On or before Thursday, 13 July
Latest time for lodging transfers of the Shares to qualify for attendance and voting at the EGM.	4:30 p.m., on Wednesday, 26 July
Register of members of the Company closes (both days inclusive)	Thursday, 27 July to Monday, 31 July
Latest time for lodging proxy forms for the EGM.	11:00 a.m. – Saturday, 29 July
Record date for attendance and voting at the EGM.	Monday, 31 July
Expected date of the EGM to approve the Rights Issue.	11:00 a.m. Monday, 31 July
Announcement of the poll result of the EGM	Monday, 31 July
Register of members of the Company re-opens	Tuesday, 1 August
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue.	Tuesday, 8 August

Expected Timetable**2023**

First day of dealings in the Shares on an ex-rights basis	Wednesday, 9 August
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m., on Thursday, 10 August
Closure of Register of members of the Company to determine eligibility of the Rights Issue (both days inclusive)	Friday, 11 August to Thursday, 17 August
Record Date for determining entitlements to the Rights Issue.	Thursday, 17 August
Register of members of the Company re-opens	Friday, 18 August
Despatch of Prospectus Documents (in the case of Excluded Shareholders, the Prospectus only)	Monday, 21 August
First day of dealing in nil-paid Rights Shares	Wednesday, 23 August
Latest time for splitting of the PAL.	4:30 p.m., on Friday, 25 August
Last day of dealing in nil-paid Rights Shares	Wednesday, 30 August
Latest Time for Acceptance of and payment for the Rights Shares and the Excess Rights Shares	4:00 p.m. on Monday, 4 September
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 5 September
Latest Time for Termination for the Rights Issue to become unconditional.	Wednesday, 6 September
Announcement of results of the Rights Issue	Tuesday, 12 September

Despatch of certificates for fully-paid Rights Shares and
refund cheques in relation to unsuccessful applications for
wholly or partially unsuccessful excess applications or
if the Rights Issue is terminated or rescinded Wednesday, 13 September

Expected first day of dealings in fully-paid Rights Shares Thursday, 14 September

Dates or deadlines specified in expected timetable above or in other parts of this announcement are indicative only and may be varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest time for acceptance of and payment for Rights Shares will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, or a “black” rainstorm warning is:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the deadline for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest time for acceptance of and payment for the Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the “Expected Timetable for the Rights Issue” section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

INFORMATION ON THE UNDERWRITER

The Underwriter is a corporate licensed to carry out Type 1 (dealings in securities) regulated activity under the SFO and its ordinary course of business includes underwriting of securities.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties. As such, the Underwriter complies with rule 7.19(1) of the Listing Rules.

REASONS FOR THE RIGHTS ISSUE

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business.

Reference is made to the announcement of the Company dated 24 February 2023 in relation to the change of proceeds for the rights issue in 2022. the proceeds of HK\$34 million from the 2022 rights issue have been fully utilized as at the date of this announcement. As such, the Company considers that the Rights Issue shall be in the interests of the Company and the Shareholders as a whole as disclosed in this announcement.

As shown in the annual report of the Company for the year ended 31 December 2022, the Group had bank borrowings of approximately HK\$285,914,000 as at 31 December 2022.

The Company intends to utilize the proceeds from the Rights Issue to repay its bank borrowings and other borrowings. As disclosed in its annual report for the year ended 31 December 2022, the Group had total borrowings of approximately HK\$372,583,000 as at 31 December 2022, which are comprised of bank borrowings of approximately HK\$285,914,000 and other borrowings of approximately HK\$86,669,000. Among bank borrowings, approximately HK\$90,214,000 are repayable within one year. As such, the Company has genuine funding needs. In light of the recent increasing trend of interest rate, the interest expenses of such bank borrowings and other indebtedness of the Group will place burden on the Group. It is the intention of the Company to reduce the gearing and interest expenses.

Subject to the completion of the Rights Issue, the Company intends to utilize all the net proceeds from the Rights Issue of approximately HK\$60 million to repay the bank borrowings of the Group which are repayable within one year. It is intended that the full utilization of the proceeds shall be on or before the year end, i.e. 31 December 2023.

The Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing and placing of new Shares.

The Board considers that placing of new Shares would be a suboptimal fund-raising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. Debt financing will increase the gearing of the Group and the Company will incur interest expenses, which shall be contradictory to the Company's intention to reduce gearing.

In comparison, the Rights Issue is pre-emptive in nature, allowing Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to (a) increase their respective interests in the shareholding of the Company by acquiring additional rights entitlement in the open market (subject to the availability) or through excess applications; or (b) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, rights issue is preferred. Accordingly, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Company in the coming 12 months, and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

USE OF PROCEEDS

Assuming all the Rights Shares have been taken up and no change in the number of Shares in issue on or before the Record Date, the gross proceeds from the Rights Issue will be approximately HK\$69.65 million and the net proceeds from the Rights Issue after deducting the expenses are estimated to be up to approximately HK\$60 million. The Company intends to apply the net proceeds from the Rights Issue for repayment of indebtedness of the Group as disclosed above.

LISTING RULES IMPLICATIONS

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 7.27A(1) of the Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue.

GENERAL

The register of members of the Company will be closed from Thursday, 27 July 2023 to Monday, 31 July 2023 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

As at the date of this announcement, there are no controlling Shareholders and the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, the Directors (excluding the independent non-executive Directors) hold an aggregate of 133,511 Shares, representing approximately 0.12% of the issued share capital of the Company.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM in respect of the Rights Issue.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Rights Issue; and (ii) a notice convening the EGM, is expected to be despatched on or before 13 July 2023 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Upon the approval by the Shareholders of the Rights Issue at the EGM having been obtained, the Prospectus Documents is expected to be despatched to the Qualifying Shareholders on 21 August 2023. The Prospectus, without the PAL and the EAF, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL PAID RIGHTS

The Shares will be dealt on an ex-rights basis from Wednesday, 9 August 2023. Dealings in the nil-paid rights are expected to take place from Wednesday, 23 August 2023 to Wednesday, 30 August 2023 (both days inclusive). If the conditions of the Rights Issue (please refer to the section headed “Conditions of the Rights Issue” in this announcement) are not fulfilled, the Rights Issue will not proceed.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or nil-paid rights is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider the Rights Issue

“Excess Rights Share(s)”	consist of (i) Rights Shares that are not being taken up by the Qualifying Shareholders; and (ii) unsold entitlement of the Non-Qualifying Shareholders to the Rights Shares
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Last Trading Day”	16 June 2023, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Acceptance Date”	4 September 2023, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company may determine
“Latest Time for Acceptance”	4:00 p.m. on the Latest Acceptance Date
“Latest Time for Termination”	4:00 p.m. on 6 September 2023 or such later date as the Company and the Underwriter may agree in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as the Company may approve
“PRC”	the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus Posting Date”	21 August 2023 or such other date as the Company may determine in writing for the despatch of the Prospectus Documents
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL and the EAF
“Qualifying Shareholders”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date

“Record Date”	the date by reference to which entitlements under the Rights Issue are expected to be determined, which is currently scheduled to be on 17 August 2023 or such later date as announced by the Company
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Rights Issue”	the proposed issue of 116,095,491 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date payable in full on acceptance on a fully underwritten basis
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in issue and unissued share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Share Option(s)”	4,125,366 outstanding options to subscribe for 4,125,366 Existing Shares granted under the Share Options Scheme
“Share Options Scheme”	the share option scheme conditionally adopted by the Company on 30 June 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	HK\$0.6 per Rights Share
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Underwriter”	Central Wealth Securities Investment Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter on 16 June 2023 in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares that are conditionally underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 16 June 2023

As at the date of this announcement, the Board comprises (i) seven executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Ms. Wang Qian, Mr. Yu Qingrui, Mr. Su Wei, Mr. Li Rui and Mr. Cheung Kit Shing; and (ii) three independent non-executive Directors, namely Mr. He Yi, Mr. Guo Yaoli and Ms. Xia Liping.