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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)

**FURTHER CHANGE IN USE OF NET PROCEEDS FROM
THE 2022 RIGHTS ISSUE AND CHANGE IN USE OF NET PROCEEDS
FROM THE 2023 RIGHTS ISSUE**

This announcement is made by Future World Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rule**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to (i) the prospectus of the Company dated 12 April 2022 in relation to the rights issue (the “**2022 Rights Issue**”) on the basis of three (3) rights shares for every two (2) consolidated shares held on the record date (the “**2022 Rights Issue Prospectus**”); (ii) the announcement of the Company dated 24 February 2023 in relation to the change in use of net proceeds from the 2022 Rights Issue (the “**Change in Use of 2022 Net Proceeds Announcement**”); and (iii) the prospectus of the Company dated 18 September 2023 in relation to the rights issue (the “**2023 Rights Issue**”) on the basis of one (1) rights share for every one (1) existing share held on the record date (the “**2023 Rights Issue Prospectus**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2022 Rights Issue Prospectus, the Change in Use of 2022 Net Proceeds Announcement and the 2023 Rights Issue Prospectus.

FURTHER CHANGE IN USE OF NET PROCEEDS FROM THE 2022 RIGHTS ISSUE

1. Previous Change in Use of Net Proceeds

The net proceeds from the 2022 Rights Issue after deducting the expenses were approximately HK\$52.5 million (the “**2022 Net Proceeds**”). The original intended use of the 2022 Net Proceeds was disclosed in the section headed “Use of Proceeds” in the 2022 Rights Issue Prospectus.

As disclosed in the Change in Use of 2022 Net Proceeds Announcement, there was unutilised 2022 Net Proceeds of approximately HK\$34.0 million as at 24 February 2023 and the Company reallocated the unutilised 2022 Net Proceeds for (i) acquisition of a securities brokerage firm in Hong Kong and (ii) expansion in the investment portfolio of the Group.

2. Further Change in Use of 2022 Net Proceeds

As at the date of this announcement, the unutilised 2022 Net Proceeds amounted to approximately HK\$8.0 million, representing the unutilised 2022 Net Proceeds allocated for the acquisition of a securities brokerage firm as disclosed in the Change in Use of 2022 Net Proceeds Announcement. After due and careful consideration, the Board has resolved to further change the use of the unutilised 2022 Net Proceeds by further reallocating the unutilised 2022 Net Proceeds for expansion in the Group’s investment portfolio. Set out below are details of the further change in use of 2022 Net Proceeds:

	Original allocation as stated in the 2022 Rights Issue Prospectus <i>HK\$ million</i>	Revised allocation as disclosed in the Change in Use of 2022 Net Proceeds Announcement <i>HK\$ million</i>	Utilised 2022 Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised 2022 Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Further revised allocation of unutilised 2022 Net Proceeds as disclosed in this announcement <i>HK\$ million</i>
Provision of margin financing services by FW Securities	34.0	–	–	–	–
Repayment of loan and interest	10.6	10.6	10.6	–	–
General working capital	7.9	7.9	7.9	–	–
Acquisition of a securities brokerage firm	–	8.0	–	8.0	–
Expansion of investment portfolio	–	26.0	26.0	–	8.0
	<u>52.5</u>	<u>52.5</u>	<u>44.5</u>	<u>8.0</u>	<u>8.0</u>
Total	<u>52.5</u>	<u>52.5</u>	<u>44.5</u>	<u>8.0</u>	<u>8.0</u>

CHANGE IN USE OF NET PROCEEDS FROM THE 2023 RIGHTS ISSUE

1. Original Use of Net Proceeds

The net proceeds from the 2023 Rights Issue after deducting the expenses were approximately HK\$64.5 million (the “**2023 Net Proceeds**”). As disclosed in the 2023 Rights Issue Prospectus, the Group originally intended to apply the 2023 Net Proceeds for repayment of the bank borrowings of the Group which are repayable within one year.

2. Change in Use of 2023 Net Proceeds

As at the date of this announcement, the unutilised 2023 Net Proceeds amounted to approximately HK\$52.1 million. After due and careful consideration, the Board has resolved to change the use of the unutilised 2023 Net Proceeds by reallocating HK\$30.0 million of the unutilised 2023 Net Proceeds for expansion in the Group’s investment portfolio. Set out below are details of the change in use of 2023 Net Proceeds:

	Original allocation as stated in the 2023 Rights Issue Prospectus <i>HK\$ million</i>	Utilised 2023 Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Unutilised 2023 Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Revised allocation of unutilised 2023 Net Proceeds as disclosed in this announcement <i>HK\$ million</i>
Repayment of bank borrowings of the Group which are repayable within one year	64.5	12.4	52.1	22.1
Expansion of investment portfolio	–	–	–	30.0
Total	<u>64.5</u>	<u>12.4</u>	<u>52.1</u>	<u>52.1</u>

REASONS FOR FURTHER CHANGE IN USE OF 2022 NET PROCEEDS AND CHANGE IN USE OF 2023 NET PROCEEDS

The Group is 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; (vi) securities brokerage business; and (vii) hotel management and operation.

As disclosed in the Change in Use of 2022 Net Proceeds Announcement, the Group intended to apply the unutilised 2022 Net Proceeds for the acquisition of a securities brokerage firm. The Group has been searching for suitable acquisition target. However, given the weak investment sentiment and lack of improvement in trading volumes of Hong Kong's stock market over the past year has negatively impacted the securities brokerage firm in Hong Kong with more than 40 brokerage firms closed down from January 2023 to the end of March 2024. Therefore, the Board considered that the acquisition of securities brokerage firm and engaging in the provision of margin financing business may not be in the best interest of the Company and the Shareholders as a whole.

Besides, based on the discussion with the lenders, one of the outstanding bank borrowings of the Group amounting to approximately HK\$35 million which is repayable within one year will be extended, the Board therefore evaluates that there are no immediate funding needs to repay its bank borrowings.

Meanwhile, as one of the Group's principal activities include securities trading and investment, the Group has been continuously optimising its investment portfolio and identifying its investment opportunities based on the prevailing share price and future prospect of the target company as well as the potential investment return. As at the date of this announcement, the Group has identified certain high-quality companies which are considered to be suitable investment targets. The Board believes that investments in the equity securities of these investment targets have the potential to generate steady investment returns, thereby contributing to the Group's growth and financial performance. To optimise the financial resources of the Group and capitalise potential market opportunities, the Board is of the view that it is beneficial to reallocate the entire unutilised 2022 Net Proceeds and 57.6% of the unutilised 2023 Net Proceeds in the total amount of HK\$38.0 million as readily available capital for further expanding and diversifying its securities investment portfolio when suitable opportunities arise.

Based on the above, the Board considers that the above changes in use of the unutilised 2022 Net Proceeds and 2023 Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and are in the best interest of the Company and its shareholders as a whole. The Board believes that such changes are in line with the business strategy of the Group and will meet the financial needs of the Group more efficiently with regard to the Group's business operations and investment. Save as disclosed in this announcement, the Board confirms that there are no other changes to the use of the unutilised 2022 Net Proceeds and 2023 Net Proceeds.

By Order of the Board
Future World Holdings Limited
Liang Jian
Chairman and Chief Executive Officer

Hong Kong, 24 April 2024

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Ms. Wang Qian, Mr. Yu Qingrui, Mr. Su Wei and Mr. Lai Long Wai; and (ii) three independent non-executive Directors, namely Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung.