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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)**

### **SHARE TRANSACTION**

## **PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 26 June 2024 (after trading hours), the Company (as purchaser) entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire (by itself or through its nominee), and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of HK\$2,000,000 (subject to NTAV Adjustment) of which HK\$1,000,000 (subject to NTAV Adjustment) shall be settled by cash upon Completion and HK\$1,000,000 shall be settled by the allotment and issue of 1,428,600 New Shares at the issue price of HK\$0.7 per New Share by the Company to the Vendor (or his nominee) upon Completion.

### **LISTING RULES IMPLICATIONS**

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as part of the Consideration will be satisfied by the allotment and issuance of the New Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The New Shares will be allotted and issued by the Company under the General Mandate granted to the Directors at the annual general meeting held on 30 June 2023. Accordingly, the allotment and issue of the New Shares is not subject to approval of the Shareholders.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 26 June 2024 (after trading hours), the Company (as purchaser) entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire (by itself or through its nominee), and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of HK\$2,000,000 (subject to NTAV Adjustment) of which HK\$1,000,000 (subject to NTAV Adjustment) shall be settled by cash upon Completion and HK\$1,000,000 shall be settled by the allotment and issue of 1,428,600 New Shares at the issue price of HK\$0.7 per New Share by the Company to the Vendor (or his nominee) upon Completion.

## **THE AGREEMENT**

Date:

26 June 2024 (after trading hours)

Parties:

- (1) Vendor
- (2) The Company

The Target Company is a company incorporated in Hong Kong which is wholly-owned by the Vendor prior to the entering into of the Agreement. The Target Company owns the entire share capital of the Target Subsidiary, a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, the Vendor and his associates are Independent Third Parties.

## **Acquisition**

Pursuant to the Agreement, the Company has conditionally agreed to acquire (by itself or through its nominee), and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company. The Sale Shares will be sold from free all rights of pre-emption, options, liens, claims, equities, charges, encumbrances or third-party rights of any nature and with all dividends, benefits and other rights now or thereafter becoming attached or accruing thereto as from the Completion Date. The information regarding the Target Company is set out in the section headed "Information of the Target Company" below.

## **Consideration**

The Consideration shall be satisfied in the following manner:

- (a) HK\$1,000,000 subject to NTAV Adjustment, shall be satisfied by cashier order(s) issued by a licensed bank in Hong Kong or a cheque drawn in favour of the Vendor (or as directed by the Vendor) or fund transfer directly to a designated bank account of the Vendor (or as directed by the Vendor) upon Completion; and
- (b) HK\$1,000,000 shall be satisfied by the allotment and issue of the New Shares, credited as fully paid, by the Purchaser at an issue price of HK\$0.7 per New Share to the Vendor (or his nominee) upon Completion.

## **Basis of Consideration**

The Consideration was determined after arm's length negotiations between the Company and the Vendor on normal commercial terms after taking into account (i) the historical financial performance of the Target Group for the year ended 31 December 2023; (ii) the business overview and outlook of the Target Group; (iii) the corporation wholly-owned by the Target Company which is licensed to carry out Type 9 (asset management) regulated activities under the SFO; (iv) the Company's assessment on the potential business development and prospect of the asset management industry in Hong Kong; and (v) the potential synergies with the Group's other existing securities and financial services business as described under the paragraph headed "Reasons for and benefits of entering into the Agreement" below.

## **Issue of the New Shares**

The New Shares represent: (i) 0.62% of the number of issued Shares as at the date of this announcement; and (ii) approximately 0.61% of the number of issued Shares as enlarged by the allotment and issue of the New Shares (assuming there will be no change in the share capital of the Company prior to the Completion other than the issue of the New Shares by the Company).

The 1,428,600 New Shares will be allotted and issued under the General Mandate upon Completion. As at the date of this announcement, no Share has been issued under the General Mandate. Subject to the Completion, the allotment and issue of 1,428,600 New Shares will utilise 6.15% of the number of new Shares that could be issued by the Company under the General Mandate. Accordingly, the allotment and issue of the New Shares is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

The New Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the New Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The New Shares are subject to the following lock-up undertakings:

- (a) the Vendor shall not, during the period ending 18 months from the Completion Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the New Shares; and
- (b) the Vendor shall not, during the period from the 19th month and ending on the 36th month from the Completion Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, more than 50% of the New Shares (i.e. 714,300 Shares).

An application will be made by the Company to the Listing Committee for the listing of and permission to deal in the New Shares.

### **Issue Price**

The Issue Price of HK\$0.7 per New Share represents: (i) the closing price of HK\$0.7 per Share as quoted on the Stock Exchange on the date of the Agreement; (ii) a premium of approximately 4.17% over the average closing price of approximately HK\$0.672 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Agreement; and (iii) a premium of approximately 5.74% over the average closing price of approximately HK\$0.662 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Agreement.

The Issue Price was determined after arm's length negotiations between the Company and the Vendor with reference to the prevailing market price of the Shares. The Directors consider that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions to the Acquisition**

Completion shall be subject to the fulfilment or (if applicable) waiver of the following conditions:

- (a) the Company having conducted business, financial and legal due diligence on the Target Company and Target Subsidiary and being reasonably satisfied with the results thereof;
- (b) all approvals and consents and acts required for the Vendor and the Target Group in respect of the Agreement and the transactions contemplated thereunder (if necessary) shall have been obtained and remain in full force and effect and any applicable legal or regulatory requirements applicable to the Vendor in respect of the entering into of the Agreement and the transactions contemplated thereunder shall have been duly complied with by the Vendor;

- (c) all approvals, consents and acts required for the Company entering into or executing the transactions therein being obtained and completed including but not limited to the listing of and permission to deal in the New Shares having been granted by the Stock Exchange and which has not been revoked as at the Completion Date;
- (d) the Company (or its nominee) having obtained regulatory approvals from the SFC in respect of the change in shareholder of the Target Company;
- (e) all other necessary approvals, consents, authorisations and licenses in relation to the transactions contemplated under the Agreement having been obtained;
- (f) the representations, warranties and undertakings given by the Vendor and the Company respectively therein the Agreement remaining true, accurate and not misleading at Completion and no events having occurred that would result in any breach of any of the representations, warranties and undertakings or other provisions of this Agreement by the Vendor;
- (g) the Target Group maintaining all relevant permits and licenses for its operation;
- (h) there being no changes to the responsible officers of the Target Subsidiary from the date of the Agreement to Completion; and
- (i) no material adverse change or prospective material adverse change in the Target Group's business, operations, financial conditions or prospects has occurred since the signing of this Agreement.

Conditions (b), (c), (d) and (e) are not capable of being waived by any party to the Agreement. The Company may by written notice waive condition (a), (f), (g), (h) and (i). The Vendor shall use his reasonable endeavours to ensure that the conditions are fulfilled on or before the Completion Date.

If the conditions are not waived or fulfilled (as the case may be) on or before 5:00 p.m. on the Long Stop Date, the Agreement shall terminate (save and except certain provisions of the Agreement which shall survive termination of the Agreement) and none of the parties to the Agreement shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the Agreement).

## **Completion**

Completion shall take place on the date, at the time and/or place as the parties hereto may agree in writing after the fulfilment or waiver by the Company (as the case may be) of the conditions.

Upon Completion, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into the Company.

## EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the New Share (assuming there will be no change in the share capital of the Company prior to the Completion other than the issue of the New Shares by the Company):

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately upon Completion and the allotment and issue of the New Shares</b>	
	<i>Number of Shares</i>	<i>Approximate</i>	<i>Number of Shares</i>	<i>Approximate</i>
China Clean Energy Technology Limited (Note)	24,941,589	10.74%	24,941,589	10.67%
Yu Qingrui	133,511	0.06%	133,511	0.06%
The Vendor	–	–	1,428,600	0.61%
Other Shareholders	<u>207,115,882</u>	<u>89.20%</u>	<u>207,115,882</u>	<u>88.66%</u>
Total	<u><u>232,190,982</u></u>	<u><u>100.00%</u></u>	<u><u>233,619,582</u></u>	<u><u>100.00%</u></u>

*Note:* China Clean Energy Technology Limited is wholly owned by Mr. Lai Long Wai, our executive Director and Mr. Lai Long Wai is deemed to have interests in the Shares held by China Clean Energy Technology Limited.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong in 2010. It is beneficially and wholly owned by the Vendor as at the date of the Agreement. The Target Company is the holding company of the Target Subsidiary, a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the SFO.

Set out below are the financial information of the Target Subsidiary based on its audited financial statements:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,489	1,824
Loss before taxation	525	286
Loss after taxation	515	286

The audited net asset value of the Target Subsidiary as at 31 December 2023 was approximately HK\$638,000.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) property investment; (ii) provision of financing services; (iii) securities trading and investment; (iv) securities brokerage business; and (v) hotel management and operation business. The Group's securities brokerage business is carried out through its wholly-owned subsidiary, Future World Securities Investment Limited, which is a company incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the SFO.

As the Target Subsidiary is a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the SFO, the Board believes that the investment in the Target Group will bring about potential synergies with the Group's other existing securities and financial services business and facilitate the Group to become a comprehensive financial services provider in Hong Kong.

In view of the above, the Directors consider that the Acquisition, the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as the Consideration will be satisfied by the allotment and issuance of the New Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.



The New Shares will be allotted and issued by the Company under the General Mandate granted to the Directors at the annual general meeting held on 30 June 2023. Accordingly, the allotment and issue of the New Shares is not subject to approval of the Shareholders.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

“Acquisition”	The acquisition of the entire issued share capital of the Target Company from the Vendor by the Company
“Agreement”	the acquisition agreement dated 26 June 2024 and entered into between the Company and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks are generally open for business in Hong Kong
“Company”	Future World Holdings Limited (未來世界控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 572)
“Completion”	Completion of the Acquisition
“Completion Accounts”	the unaudited consolidated accounts of the Target Group as at the date being the third Business Day immediately preceding the Completion Date or such other date as the parties may agree in writing
“Completion Date”	the date on which Completion takes place or, where the context so requires, the date fixed for completion
“Consideration”	the total consideration in respect of the Sale Share payable by the Company to the Vendor
“Director(s)”	the director(s) of the Company



“General Mandate”	the issue mandate to be granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 June 2023 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2024 or such other date as may be agreed between the parties to the Agreement in writing
“New Share(s)”	1,428,600 shares in the share capital of the Company, representing 0.62% of the issued share capital of the Company as at the date hereof, which will rank <i>pari passu</i> in all respects with all other shares of the Company in issue as at the Completion Date
“NTAV”	the aggregate value of all tangible assets of the Target Group which are readily convertible into cash or cash equivalents (excluding the goodwill, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the current account with vendor) and provisions of the Target Group according to Completion Accounts
“NTAV Adjustment”	an upward adjustment to the cash portion of the Consideration if the NTAV is larger than zero, or a downward adjustment to the cash portion of the Consideration if the NTAV is less than zero
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Shareholder(s)”	holder(s) of the Company’s Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Excelerate Holding Limited (卓思投資控股有限公司), a company incorporated in Hong Kong which is wholly-owned by the Vendor
“Target Group”	The Target Company and the Target Subsidiary
“Target Subsidiary”	Excelerate Fund Management Limited (卓思基金管理有限公司), a company incorporated in Hong Kong which is a wholly-owned subsidiary of the Target Company and a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the SFO
“Vendor”	Mr. Choi Cheuk Heng Zenith (蔡卓衡先生), a Hong Kong citizen

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

Hong Kong, 26 June 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.*