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If you have sold or transferred all your shares in **Future World Holdings Limited** (the “Company”), you should at once forward this circular and the accompanying form of proxy to the purchaser or to the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or 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 AND CONNECTED TRANSACTION
IN RELATION TO ASSIGNMENT OF RECEIVABLES**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the board of directors of Future World Holdings Limited (the “Company”) is set out on pages 6 to 16 of this circular. A notice convening the EGM to be held at Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong on Monday, 5 August 2024 at 11:00 a.m., is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed. Such form of proxy is also published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

Whether or not you intend to attend and vote at the EGM in person or any adjournment thereof, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

17 July 2024

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DEFINITIONS

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

“Assignment”	the assignment of the Receivables and the Share Charges to Mr. Lai pursuant to the Deed of Assignment
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday), on which banks are open in Hong Kong to the general public for business
“Central Wealth”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139)
“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 and the issued Shares are listed on Main Board of the Stock Exchange (stock code: 572)
“Completion”	completion of the Deed of Assignment
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$65,745,700, being the consideration for the Assignment payable by Mr. Lai to the Company
“CWIL”	Central Wealth Infrastructure Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Central Wealth
“Deed of Assignment”	the deed of assignment entered into between the Company as assignor and Mr. Lai as assignee on 22 March 2024 in relation to the assignment of the Receivables and the Share Charges at a consideration of HK\$65,745,700
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering, and if thought fit, approving, confirming and ratifying among other matters, the Assignment, the Deed of Assignment and the transactions contemplated thereunder
“First Receivables”	collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Ms. Zhang; and (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang
“GF Deed of Assignment”	the deed of assignment entered into between Globally Finance as assignor and the Company as assignee dated 22 March 2024 for the assignment of the First Receivables and the Share Charges at a consideration of HK\$45,745,700
“Globally Finance”	Globally Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this circular
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKD Prime Rate”	the HK\$ prime rate from time to time, which is 5.875% as at the date of this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huili Resources”	Huili Resources (Group) Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1303). According to the public information published by Huili Resources, Huili Resources and its subsidiaries mainly participate in the coal processing, supply chain services and trading businesses, and non-ferrous ore mining and processing

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Company established by the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders on the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder
“Independent Financial Adviser”	Grand Moore Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders and/or their respective associates who are not required under the Listing Rules to abstain from voting at the EGM, other than those persons who have material interest in the Assignment
“Latest Practicable Date”	12 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Latop International”	Latop International Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lai”	Mr. Lai Long Wai (黎朗威先生), an executive Director and a substantial shareholder of the Company
“Mr. Ouyang”	Mr. Ouyang Renhe (歐陽仁和先生)
“Ms. Zhang”	Ms. Zhang Yan (張岩女士)
“Ouyang Share Charge”	the share charge entered into between Globally Finance as chargee and Mr. Ouyang as chargor dated 2 March 2023 for the charging of 11,882,000 issued shares of Shandong Hi-Speed to Globally Finance as security for Mr. Ouyang’s payment obligation under the Ouyang SPA

DEFINITIONS

“Ouyang SPA”	the sales and purchase agreement entered into between Globally Finance as vendor and Mr. Ouyang as purchaser dated 3 November 2022 for the transfer of 11,882,000 issued shares of Shandong Hi-Speed to Mr. Ouyang at a consideration of HK\$18,298,280
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Receivables”	collectively, (i) the First Receivables and (ii) the Second Receivables
“Repayment Date”	31 December 2024
“Second Receivables”	the outstanding amount of HK\$20,000,000 payable by World Sincere
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Hi-Speed”	Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company established in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 412)
“Share Charges”	collectively, (i) the Zhang Share Charge and (ii) the Ouyang Share Charge
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) in the issued share capital of the Company
“Shenzhen Baiyi”	Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司), a wholly-owned subsidiary of the Company as at the date of the Deed of Assignment and this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

DEFINITIONS

“World Sincere”	World Sincere Limited, a company established in the British Virgin Islands with limited liability
“WS Deed of Assignment”	the deed of assignment entered into between the Company and World Sincere dated 10 January 2023 for the assignment of receivables, with the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International, to the Company for a consideration of HK\$20,000,000
“Zhang Share Charge”	the share charge entered into between Globally Finance as chargee and Ms. Zhang as chargor dated 2 March 2023 for the charging of 17,823,000 issued shares of Shandong Hi-Speed to Globally Finance as security for Ms. Zhang’s payment obligation under the Zhang SPA
“Zhang SPA”	the sales and purchase agreement entered into between Globally Finance as vendor and Ms. Zhang as purchaser on 3 November 2022 for the transfer of 17,823,000 issued shares of Shandong Hi-Speed to Ms. Zhang at a consideration of HK\$27,447,420
“%”	per cent

* *For identification purpose only*

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:

Mr. Liang Jian (*Chairman and Chief Executive Officer*)
Mr. Yu Zhenzhong (*Vice Chairman*)
Ms. Wang Qian (*Vice Chairman*)
Mr. Yu Qingrui
Mr. Su Wei
Mr. Lai Long Wai

Independent Non-executive Directors:

Mr. He Yi
Mr. Guo Yaoli
Mr. Bong Chin Chung

Registered Office:

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

Head Office and Principal

Place of Business:
Unit 612
Tai Yau Building
181 Johnston Road
Wan Chai
Hong Kong

17 July 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ASSIGNMENT OF RECEIVABLES**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 March 2024 in relation to the Assignment.

The purpose of this circular is to provide you with information regarding, among other things, (i) details of the Deed of Assignment; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Assignment and the Deed of Assignment; (iii) the letter of advice from the Independent Financial Adviser to the Independent

LETTER FROM THE BOARD

Board Committee and the Independent Shareholders in respect of the Assignment and the Deed of Assignment; and (iv) the notice of EGM.

BACKGROUND

1. The First Receivables

In 2019, the Group has granted an aggregate irrevocable loan facility of HK\$270,000,000 to Central Wealth.

On 24 October 2022, Globally Finance and CWIIL, a wholly-owned subsidiary of Central Wealth, entered into a share charge, pursuant to which Central Wealth agreed to procure CWIIL to charge 95,061,000 shares of Shandong Hi-Speed (the “**Charged Securities**”) in favour of Globally Finance as continuing security for the payment and discharge of the obligation of Central Wealth. In consideration of CWIIL agreeing to enter into the said share charge, Globally Finance has agreed to execute a declaration of trust on the same day, pursuant to which Globally Finance shall declare to act as the trustee of the Charged Securities in favour of CWIIL. Since the Charged Securities were held on trust, the Company has no discretion to enforce the share charge entered into between Globally Finance and CWIIL and conduct on-market disposal.

On 3 November 2022, upon receiving two letters of instruction from CWIIL, Globally Finance as the trustee entered into the Zhang SPA and the Ouyang SPA on behalf of CWIIL to sell a total of 29,705,000 shares of the Charged Securities to Ms. Zhang and Mr. Ouyang at the considerations of approximately HK\$45,746,000 in total. The considerations payable by Ms. Zhang and Mr. Ouyang shall be made towards the settlement of the loan and interest owed by Central Wealth to Globally Finance on a dollar-to-dollar basis.

As at 3 November 2022, the total loan advanced to Central Wealth was approximately HK\$134.6 million. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, there was no unfavourable indicator as to Central Wealth’s credibility and repayment ability at the material time. Considering the concentration of credit associated with a single borrower, the Directors were of the view that diversifying its loan portfolio by entering into the Zhang SPA and the Ouyang SPA was in the best interest of the Company and in line with the common practices in the money lending industry. Immediately upon the completions of the Zhang SPA and the Ouyang SPA on the even date, the loan receivables from Central Wealth amounted to approximately HK\$88.9 million, and the loan receivables from Ms. Zhang and Mr. Ouyang amounted to an aggregate of approximately HK\$45.7 million.

LETTER FROM THE BOARD

Details of the Zhang SPA and the Ouyang SPA are as follows:

(a) The Zhang SPA

On 3 November 2022, Globally Finance entered into the Zhang SPA with Ms. Zhang, pursuant to which Globally Finance agreed to sell and transfer 17,823,000 issued shares of Shandong Hi-Speed to Ms. Zhang at a consideration of HK\$27,447,420, which shall be paid to Globally Finance within four months/120 days from the date of completion. Completion of the Zhang SPA took place on the date of the Zhang SPA, on which Globally Finance shall deliver relevant title documents and transfer documents to Ms. Zhang. The Zhang SPA did not stipulate any additional charge for default payments for the consideration. Instead, Ms. Zhang entered into the Zhang Share Charge with Globally Finance on 2 March 2023, pursuant to which Ms. Zhang agreed to charge 17,823,000 issued shares of Shandong Hi-Speed to Globally Finance as security for her payment obligations under the Zhang SPA.

(b) The Ouyang SPA

On the same day, Globally Finance entered into the Ouyang SPA with Mr. Ouyang, pursuant to which Globally Finance agreed to sell and transfer 11,882,000 issued shares of Shandong Hi-Speed to Mr. Ouyang at a consideration of HK\$18,298,280, which shall be paid to Globally Finance within 4 months/120 days from the date of completion. Completion of the Ouyang SPA took place on the date of the Ouyang SPA, on which Globally Finance shall deliver relevant title documents and transfer documents to Mr. Ouyang. The Ouyang SPA did not stipulate any additional charge for default payments for the consideration. Instead, Mr. Ouyang entered into the Ouyang Share Charge with Globally Finance on 2 March 2023, pursuant to which Mr. Ouyang agreed to charge 11,882,000 issued shares of Shandong Hi-Speed to Globally Finance as security for his payment obligations under the Ouyang SPA.

In addition to the entering of the Zhang Share Charge and the Ouyang Share Charge, Globally Finance requested each of Ms. Zhang and Mr. Ouyang to provide fund proof and was given the understanding that the financial resources that each of them possessed was higher than the consideration stipulated in the Zhang SPA and the Ouyang SPA, respectively.

Unfortunately, as a matter of fact and out of the control of the Group, Ms. Zhang and Mr. Ouyang did not repay Globally Finance, despite the aforementioned measures taken by Globally Finance. Shortly after the original repayment date (i.e. 2 March 2023), Ms. Zhang and Mr. Ouyang indicated they failed to repay on 2 March 2023 and asked for postponement of the payment to 31 December 2023. Globally Finance agreed to extend the repayment date of the loan payable by Ms. Zhang and Mr. Ouyang to 31 December 2023, respectively, provided that each of Ms. Zhang and Mr. Ouyang could provide evidence of sufficient financial resources as and when requested by Globally Finance. The request was accepted by both Ms. Zhang and Mr. Ouyang.

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In January 2024, in view of their failure to fulfil their respective payment obligation, Globally Finance appointed a legal adviser to issue a demand letter to each of Ms. Zhang and Mr. Ouyang, demanding immediate payment of outstanding amount. However, Globally Finance did not receive any response to the demand letter.

On 22 March 2024, Globally Finance and the Company entered into the GF Deed of Assignment, pursuant to which Globally Finance assigned, and the Company accepted the assignment of, the First Receivables and the Share Charges.

2. The Second Receivables

In early January 2023, Mr. Cheung Kit Shing, a then Director, proposed to the Board to consider taking the assignment of receivables due and payable by Latop International to World Sincere at a discount of approximately 30%. On 10 January 2023, the Company and World Sincere entered into the WS Deed of Assignment for the assignment of receivables, with the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International, to the Company for a consideration of HK\$20,000,000, which shall be payable by the Company to World Sincere and/or its designated third party(ies) through telegraphic transfer to the designated bank account within seven Business Days following the date of the WS Deed of Assignment. Completion of the WS Deed of Assignment was conditional upon the Company duly settled the consideration, on which the receivables shall be automatically and immediately assigned to the Company. The consideration was duly settled by the Company on the date of the WS Deed of Assignment. At the material time, the ultimate beneficial owner of Latop International was Mr. Song Chun Xiao. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Latop International and its ultimate beneficial owner were independent third parties to the Company and its connected persons at the material time.

Since the Company did not receive any of the assigned receivables from Latop International, on 22 March 2024, the Company and World Sincere entered into a deed of termination (the "**Deed of Termination**"), pursuant to which the Company and World Sincere voluntarily terminated, rescinded and cancelled the WS Deed of Assignment with immediate effect, and the consideration of HK\$20,000,000 shall be refunded by World Sincere to the Company within 30 Business Days following the date of the Deed of Termination. In view of the Deed of Assignment, which was entered into on the same day as the Deed of Termination, the Company has not taken actions against World Sincere to recover the refund.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Ms. Zhang, Mr. Ouyang, World Sincere and the ultimate beneficial owner of World Sincere was and is an independent third party to the Company and its connected person(s) at the material time and as at the date of this circular.

LETTER FROM THE BOARD

THE DEED OF ASSIGNMENT

Date 22 March 2024 (after trading hours)

Parties (1) the Company (as assignor); and
(2) Mr. Lai (as assignee).

Subject matter

The Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables and the Share Charges at a consideration of HK\$65,745,700.

Consideration and payment terms

Mr. Lai shall pay the Consideration of HK\$65,745,700 in whole or in part by not more than 10 instalments to the Company and/or its designated third party(ies) through telegraphic transfer to the bank account designated by the Company on or before the Repayment Date.

Mr. Lai may, if he gives the Company not less than one calendar month's prior notice in writing before the Repayment Date and without the need to obtain any consent by the Company, delay the payment of Consideration for 12 calendar months from the Repayment Date (the "**Postponed Repayment Date**") (the "**Postponement Option Clause**"). The 12-month postponement option is a one-off arrangement. As confirmed by Mr. Lai, he intended to pay the Consideration on or before the Repayment Date and had no intention to exercise his right under the Postponement Option Clause as at the date of this circular.

The Consideration was determined after arm's length negotiations between the Company and Mr. Lai after considering the carrying amount of the Receivables of HK\$65,745,700 (being collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Ms. Zhang; (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang; and (iii) the outstanding amount of HK\$20,000,000 due and payable by World Sincere) as at the date of the Deed of Assignment.

The receivables from Mr. Lai carries no interests. As (i) the Assignment aims to provide a one-off solution to the Group to recover all of the Receivables at their carrying amounts within a foreseeable timeframe, instead of money lending in nature; and (ii) the Receivables themselves do not carry any interest before the Assignment, the Directors (excluding Mr. Lai) considered that it is fair and reasonable that the receivables from Mr. Lai carries no interests.

As the Assignment is conditional upon the satisfaction of the conditions precedent set out in the Deed of Assignment, in particular, the shareholders' approval, the Company and Mr. Lai have not agreed on a concrete instalment schedule. However, it is Mr. Lai's intention that the Consideration will be repaid in full on or before the Repayment Date.

LETTER FROM THE BOARD

Conditions precedent

Pursuant to the Deed of Assignment, the Completion is conditional upon the following conditions being fulfilled:

- (1) all necessary approvals required under the Listing Rules in connection with the transactions under the Deed of Assignment (including the passing of necessary resolutions by the Shareholders at the EGM) have been obtained;
- (2) each of the representations, warranties and undertakings of the parties shall be true, accurate and not misleading in all material respects from the date of the Deed of Assignment to the Completion; and
- (3) no Event of Default (as defined below) shall have occurred.

The parties may waive the second and third conditions precedent above by written notice to the other party. If any of the conditions precedents have not been fulfilled or waived within 180 Business Days from the date of the Deed of Assignment, Mr. Lai shall not be obliged to complete the transactions under the Deed of Assignment and shall be entitled to terminate the Deed of Assignment by written notice to the Company.

As at the Latest Practicable Date, condition precedent (1) had not been fulfilled, and conditions precedent (2) and (3) had not been triggered. The Company does not expect to waive, in whole or in part and conditionally or unconditionally, any of the above conditions precedent.

Security provided

On 5 February 2024, Mr. Lai as lender and Shenzhen Baiyi as borrower entered into a loan agreement, pursuant to which Mr. Lai agreed to make available to Shenzhen Baiyi an unsecured and interest-free loan of RMB20,000,000 (approximately to HK\$21,739,000) for a term of 2 years from 1 February 2024 (the “**Shenzhen Baiyi Loan**”). As at the date of this circular, Shenzhen Baiyi has borrowed the full amount of the Shenzhen Baiyi Loan (the “**Shenzhen Baiyi Receivables**”).

Upon the Completion, Mr. Lai shall deliver the original of the deed of assignment executed by Mr. Lai in favour of the Company to conditionally assign the Shenzhen Baiyi Receivables as partial settlement of the Consideration to the Company.

The completion of the assignment of the Shenzhen Baiyi Receivables is conditional upon the occurrence of any Event of Default as stipulated in the Deed of Assignment.

LETTER FROM THE BOARD

Undertakings

Mr. Lai has undertaken to the Company that (the “Undertakings”):

- (a) he shall not sell, transfer, assign, pledge or otherwise dispose the Shenzhen Baiyi Receivables at any time before the Consideration is fully settled; and
- (b) except with prior written consent of the Company, he shall not sell, transfer, assign, pledge or otherwise dispose any of the 170,000,000 shares of Huili Resources and the 24,941,589 shares of the Company owned by him at any time before the Consideration is fully settled. Mr. Lai further undertakes that so long as the Consideration has not been fully settled, the proceeds from such disposal of shares of Huili Resources and the Company shall be used to settle the Consideration.

Events of Default

Each of the events or circumstances set out in the following is an event of default (the “Event(s) of Default”):

(a) Non-payment

Mr. Lai does not pay the Consideration in full on the Repayment Date or the Postponed Repayment Date;

(b) Misrepresentation

Any representation or statement made or deemed to be made by Mr. Lai in the Deed of Assignment is or proves to have been incorrect or misleading in any material respect when made or deemed to be made. Nonetheless, no Event of Default will occur if the event or circumstance resulting in such representation or statement being incorrect or misleading is capable of remedy and is remedied within 10 days of the earlier of (i) Mr. Lai giving notice to the Company and (ii) Mr. Lai becoming aware of the occurrence of such event or circumstance; and

(c) Insolvency

Where Mr. Lai becomes insolvent, is unable to pay his debts, or fails or admits in writing his inability generally to pay his debts as they become due.

Completion

The Completion is deemed to take place on the date on which all conditions precedent have been satisfied or waived.

LETTER FROM THE BOARD

Upon the Completion, Mr. Lai will become the legal and beneficial owner and have all rights, title and interests to and in the Receivables and the Share Charges.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

In view of the prolonged duration of recovering the Receivables, Mr. Lai, an executive Director and a substantial Shareholder, has agreed to take assignment of the rights, titles and benefits of the Receivables and the Share Charges at the Consideration of HK\$65,745,700.

While the Company has the right to execute the Share Charges to recover the First Receivables, the Assignment provides a one-off solution to the Group to recover all of the Receivables at their carrying amounts within a foreseeable timeframe, thereby minimising the uncertainty and the credit risks associated with the Receivables.

The Board reviewed the asset proof of Mr. Lai and noted that Mr. Lai possessed sufficient financial resources to settle the Consideration. As the amount of the Shenzhen Baiyi Receivable was insufficient to fully cover the amount of the Consideration, the Company discussed with Mr. Lai during the agreement negotiation stage with an intention to obtain higher level of security from Mr. Lai. As confirmed by Mr. Lai, while he is the sole beneficial owner of 170,000,000 shares of Huili Resources without encumbrances, those shares were placed in his security account in a bank which provided mortgage to him, and he wished to keep the shares in their current state to ensure the mortgage loan would not be affected. Mr. Lai further confirmed that he has sufficient financial resources to repay the mortgage loan provided by the bank, and the outstanding mortgage loan is fully covered by the market value of the property charged to the bank, thus it is very unlikely that encumbrances will be placed on the 170,000,000 shares of Huili Resources by the bank as additional collateral for the mortgage loan.

Upon further negotiation, the Company and Mr. Lai agreed to include additional terms in favour of the Company including the Undertakings, and considered that the additional terms could provide meaningful additional security to the Company. While Mr. Lai was not required to provide the originals of the share certificates for the 170,000,000 shares of Huili Resources evidencing his legal title together with the relevant transfer document upon the Completion, Mr. Lai shall deliver the abovementioned documents within 20 Business Days upon written request by the Company. In case of an Event of Default, the Company has the absolute discretion to enforce the transfer document of the 170,000,000 shares of Huili Resources (in addition to the deed of assignment for the assignment of the Shenzhen Baiyi Receivables to be delivered by Mr. Lai upon the Completion). Hence, while the remaining portion of the Consideration would be unsecured upon the Completion, the Company has the right to request further security to cover the full amount of the Consideration.

Considering that Mr. Lai is an executive Director and a substantial Shareholder and that he has made the Undertakings and provided the Shenzhen Baiyi Receivables as security to the Company in respect of his payment obligation under the Assignment, the Directors (including the independent non-executive Directors whose views have been set out in this circular together with the recommendations from the Independent Financial Adviser but excluding Mr. Lai who

LETTER FROM THE BOARD

has abstained from voting due to his material interest in the Deed of Assignment and the transactions contemplated thereunder) are of the view that (i) there is a low possibility that Mr. Lai would be uncooperative if and when the Company make enquiry on his ownership in Huili Resources; and (ii) the Undertakings, together with the enforcement term, are effective in reducing the credit risk of the Company. Thus, the risk of non-payment by Mr. Lai is relatively low.

Since the Receivables will be assigned at their carrying amounts, the Assignment would have no effect on the earnings and assets and liabilities of the Company.

In respect of the Postponement Option Clause, as confirmed by Mr. Lai, while he has no intention to exercise his right under the Postponement Option Clause as at the date of this circular, as he would like to maintain better liquidity to pay the Consideration by several instalments instead of one-off payment, the inclusion of the Postponement Option Clause allows him the flexibility such that in the event of a delay in the Completion to a date close to the Repayment Date, he can opt for postponing the repayment date. The Directors (excluding Mr. Lai) are of the view that Mr. Lai, by personally taking the assignment of the Receivables, offered a one-off measure to mitigate the credit risks and/or loss to the Company and its Shareholders. The Postponement Option Clause provides buffer to Mr. Lai without materially affecting the nature and structure of the Assignment. Even if Mr. Lai exercises his right to delay the payment, the repayment schedule falls within a foreseeable time frame (i.e. by the end of 2025).

Considering that (i) the 12-month postponement option is only a one-off arrangement; (ii) Mr. Lai intends to settle the Consideration on or before the Repayment Date without exercising his right under the Postponement Option Clause; and (iii) it is unlikely that Mr. Lai would be uncooperative in the payment of the Consideration given his financial capabilities and relationship with the Company, the Directors (excluding Mr. Lai) are of the view that (i) the risk of increasing uncertainty and credit risks associated with the Receivables resulting from the Postponement Option Clause is minimal; (ii) the Postponement Option Clause is fair and reasonable and in the interest of the Company and its shareholders as a whole; and (iii) the request of Mr. Lai for the postponement option should not impede the Assignment in its entirety, given that the Assignment represents a comprehensive solution for the Group to minimise uncertainties and credit risks associated with the Receivables.

In view of the above, the Directors (including the independent non-executive Directors whose views have been set out in this circular together with the recommendations from the Independent Financial Adviser but excluding Mr. Lai who has abstained from voting due to his material interest in the Deed of Assignment and the transactions contemplated thereunder) are of the view that the Assignment, the Deed of Assignment and the transactions contemplated thereunder are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

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; (vi) securities brokerage business; and (vii) hotel management and operation. Mr. Lai is an executive Director and a substantial Shareholder.

Mr. Lai has extensive experience in the fields of accounting, finance and investment.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios of the Assignment is more than 25% but all applicable percentage ratios are less than 75%, the Assignment constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this circular, Mr. Lai is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of him being an executive Director and a substantial Shareholder. Therefore, the Assignment also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

A notice convening the EGM to be held at Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong on Monday, 5 August 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 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 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 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.

Any Shareholder who has a material interest in the transactions and his/her/its associates are required to abstain from voting on the resolution approving the Deed of Assignment and the transactions contemplated thereunder at the EGM under the Listing Rules. As at the Latest Practicable Date, (i) China Clean Energy Technology Limited ("**China Clean Energy**") held 24,941,589 Shares (i.e. approximately 10.74% of the total number of issued Shares); (ii) China Clean Energy is wholly-owned by Mr. Lai and hence Mr. Lai is deemed to be interested in the

LETTER FROM THE BOARD

Shares held by China Clean Energy under the SFO. Accordingly, Mr. Lai and his associate (being China Clean Energy) will abstain from voting on the resolution approving the Deed of Assignment and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Lai and his associates (being China Clean Energy), none of the Shareholders has any material interest in the Deed of Assignment and the transactions contemplated thereunder and is required to abstain from voting on the resolution approving the Deed of Assignment and the transactions contemplated thereunder at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors, having received and considered the advice from the Independent Financial Adviser but excluding Mr. Lai who has abstained from voting due to his material interests in the transactions contemplated under the Deed of Assignment) believe that the Deed of Assignment and the transactions contemplated thereunder are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Deed of Assignment 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 and Chief Executive Officer



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)

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ASSIGNMENT OF RECEIVABLES**

We refer to the circular issued by the Company to the Shareholders dated 17 July 2024 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meaning in this letter unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the Deed of Assignment and the Assignment and to advise the Independent Shareholders in respect of the same. We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser as set out on pages 6 to 16 and pages 19 to 38 of the Circular, respectively.

RECOMMENDATION

Having considered together the factors as set out in the Circular, the principal factors and reasons considered by, and the advice of the Independent Financial Adviser as set out in its letter of advice, we are of the opinion that (i) the terms of the Deed of Assignment and the Assignment are on normal commercial terms and are fair and reasonable; and (ii) although the Assignment is not conducted in the ordinary and usual course of business of the Group, the Assignment is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution approving the Deed of Assignment and the Assignment at the EGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Future World Holdings Limited

He Yi
*Independent non-executive
Director*

Guo Yaoli
*Independent non-executive
Director*

Bong Chin Chung
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Grand Moore Capital Limited setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in the Circular.



Unit 1401, 14/F, Lippo Sun Plaza, 28 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

17 July 2024

*To the Independent Board Committee and
the Independent Shareholders of
Future World Holdings Limited*

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO ASSIGNMENT OF RECEIVABLES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder (the “**Transactions**”), the details of which are set forth in the “Letter from the Board” (the “**Board Letter**”) contained in the circular issued by the Company to the Shareholders dated 17 July 2024 (the “**Circular**”), of which this letter forms apart. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Transactions. We, Grand Moore Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company or any of its respective substantial Shareholders, Directors or chief executives, or any of their respective associates and accordingly, are considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the past two years, we have not acted in any financial adviser role to the Company. Save for the appointment as the Independent Financial Adviser, there was no other relationship and/or engagement between the Company and us in the past two years.

With regards to our independence from the Company, it is noted that (i) apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries, Mr. Lai or their respective controlling Shareholders (if applicable) that could reasonably be regarded as relevant to our independence; and (ii) the aggregate professional fees paid or to be paid to us do not make up a significant portion of our revenue during the relevant period which would affect our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser in respect of the Transactions pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the Company's annual report for the year ended 31 December 2023 (the "**2023 Annual Report**"); (iii) other information provided by the Directors and/or the senior management of the Company (the "**Management**"); (iv) the opinions expressed by and the representations of the Directors and the Management; and (v) our review of the relevant public information. We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Directors and/or the Management (where applicable), which have been provided to us. The Directors have confirmed that, to the best of their knowledge, they believe that no material fact or information has been omitted from the information supplied to us and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Chapters 13 and 14A of the Listing Rules. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and Mr. Lai, nor conducted any independent in-depth investigation into the business affairs, assets and liabilities or future prospects of the Company, Mr. Lai, their respective subsidiaries or associates (if applicable) or any of the other parties involved in the Transactions, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. The Company has been separately advised by its own professional advisers with respect to the Transactions and the preparation of the Circular (other than this letter).

We have assumed that the Transactions will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Transactions, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Transactions. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the Transactions, we have taken into account the following principal factors and reasons:

1. Background information and financial overview of the Group

As stated in the Board Letter, 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; (vi) securities brokerage business; and (vii) hotel management and operation. Certain summary financial information of the Group as extracted from the 2023 Annual Report for the years ended 31 December 2022 and 2023 (“FY2022” and “FY2023” respectively) is set out below:

	For the year ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	38,948	47,137
Gross profit	21,637	28,517
Loss for the year attributable to owners of the Company	151,730	7,021

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's revenue decreased from approximately HK\$47,137,000 for FY2022 to approximately HK\$38,948,000 for FY2023, representing a decrease of approximately HK\$8,189,000 or 17.4%. As per the 2023 Annual Report, the decrease in the Group's revenue was mainly due to the decrease in the interest income from provision of financing services of approximately HK\$8,172,000 or 38.8%, from approximately HK\$21,063,000 for FY2022 to approximately HK\$12,891,000 for FY2023.

The Group's gross profit decreased from approximately HK\$28,517,000 for FY2022 to approximately HK\$21,637,000 for FY2023, representing a decrease of approximately HK\$6,880,000 or 24.1%. The Group's gross profit margin decreased from approximately 60.5% for FY2022 to approximately 55.6% for FY2023, representing a decrease of approximately 4.9%. The decrease in the Group's gross profit was mainly attributable to abovementioned decrease in revenue of the segment of the provision of financing services.

The Group recorded a loss for the year attributable to owners of the Company of approximately HK\$151,730,000 for FY2023, representing an increase of approximately HK\$144,709,000 or 2,061.1%, as compared to a loss for the year attributable to owners of the Company of approximately HK\$7,021,000 for FY2022. Such increase in loss for the year attributable to owners of the Company was mainly due to (i) the fair value loss of financial assets at fair value through profit or loss of approximately HK\$50,691,000 for FY2023, representing a turnaround as compared to the fair value gain of financial assets at fair value through profit or loss of approximately HK\$47,130,000 for FY2022; and (ii) the fair value loss of investment properties of approximately HK\$67,069,000 for FY2023, representing an increase of approximately HK\$54,209,000 or 421.5%, as compared to that of HK\$12,860,000 for FY2022.

Set out below are certain key consolidated financial information of the Group as extracted from the consolidated statement of financial position set out in the 2023 Annual Report.

	As at 31 December 2023 HK\$'000 (audited)	As at 31 December 2022 HK\$'000 (audited)
Cash and bank balances	81,721	38,983
Current assets	410,486	404,262
Net current assets/(liabilities)	28,138	(29,016)
Total assets	1,225,921	1,372,511
Current liabilities	382,348	433,278
Total liabilities	424,856	437,050
Equity attributable to the owners of the Company	801,065	946,151

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's cash and bank balances amounted to approximately HK\$81,721,000 as at 31 December 2023, representing an increase of approximately HK\$42,738,000 or 109.6%, as compared to that of approximately HK\$38,983,000 as at 31 December 2022. The Group recorded net current assets of approximately HK\$28,138,000 as at 31 December 2023, representing a turnaround as compared to the net current liabilities of approximately HK\$29,016,000 as at 31 December 2022. Such turnaround was mainly attributable to the combined effects of an increase in current assets of approximately HK\$6,224,000 or 1.5% and a decrease in current liabilities of approximately HK\$50,930,000 or 11.8% as at 31 December 2023. We note from the 2023 Annual Report that the increase in current assets was mainly attributable to the combined effects of the decrease in financial assets at fair value through profit or loss and trade, bills and other receivables, and the increase in loan and interest receivables and the abovementioned cash and bank balances. Meanwhile, the decrease in current liabilities was mainly due to the decrease in trade payables, accruals and other payables and bank borrowings. The improvement in liquidity and solvency gives rise to an increase in current ratio from approximately 0.93 times as at 31 December 2022 to approximately 1.07 times as at 31 December 2023.

The Group's total liabilities decreased by approximately HK\$12,194,000 or 2.8%, from approximately HK\$437,050,000 as at 31 December 2022 to approximately HK\$424,856,000 as at 31 December 2023. Such decrease was mainly attributable to the aforementioned factors related to the decrease in current liabilities. As per the 2023 Annual Report, the Group recorded total borrowings of approximately HK\$364,902,000 as at 31 December 2023, which comprised of (i) bank borrowings of approximately HK\$276,783,000; and (ii) other borrowings of approximately HK\$88,119,000 as at 31 December 2023.

The Group recorded equity attributable to the owners of the Company of approximately HK\$801,065,000 as at 31 December 2023, representing a decrease of approximately HK\$145,086,000 or 15.3%, as compared to that of approximately HK\$946,151,000 as at 31 December 2022. This was mainly attributable to the loss for the year attributable to owners of the Company during FY2023.

2. Reasons for and benefits of the Assignment

It is stated in the Board Letter that in view of the prolonged duration of recovering the Receivables, Mr. Lai, an executive Director and a substantial Shareholder, has agreed to take assignment of the rights, titles and benefits of the Receivables and the Share Charges at the Consideration of HK\$65,745,700.

While the Company has the right to execute the Share Charges to recover the First Receivables, the Assignment provides a one-off solution to the Group to recover all of the Receivables at their carrying amounts within a foreseeable timeframe, thereby minimising the uncertainty and the credit risks associated with the Receivables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board reviewed the asset proof of Mr. Lai and noted that Mr. Lai possessed sufficient financial resources to settle the Consideration. As the amount of the Shenzhen Baiyi Receivable was insufficient to fully cover the amount of the Consideration, the Company discussed with Mr. Lai during the agreement negotiation stage with an intention to obtain higher level of security from Mr. Lai. As confirmed by Mr. Lai, while he is the sole beneficial owner of 170,000,000 shares of Huili Resources (the “**Huili Resources Share(s)**”) without encumbrances, those shares were placed in his security account in a bank which provided mortgage to him, and he wished to keep the shares in their current state to ensure the mortgage loan would not be affected. Mr. Lai further confirmed that he has sufficient financial resources to repay the mortgage loan provided by the bank, and the outstanding mortgage loan is fully covered by the market value of the property charged to the bank, thus it is very unlikely that encumbrances will be placed on the 170,000,000 Huili Resources Shares by the bank as additional collateral for the mortgage loan.

Upon further negotiation, the Company and Mr. Lai agreed to include additional terms in favour of the Company including the Undertakings, and considered that the additional terms could provide meaningful additional security to the Company. While Mr. Lai was not required to provide the originals of the share certificates for the 170,000,000 Huili Resources Shares evidencing his legal title together with the relevant transfer document upon the Completion, Mr. Lai shall deliver the abovementioned documents within 20 Business Days upon written request by the Company. In case of an Event of Default, the Company has the absolute discretion to enforce the transfer document of the 170,000,000 Huili Resources Shares (in addition to the deed of assignment for the assignment of the Shenzhen Baiyi Receivables to be delivered by Mr. Lai upon the Completion). Hence, while the remaining portion of the Consideration would be unsecured upon the Completion, the Company has the right to request further security to cover the full amount of the Consideration.

Considering that Mr. Lai is an executive Director and a substantial Shareholder and that he has made the Undertakings and provided the Shenzhen Baiyi Receivables as security to the Company in respect of his payment obligation under the Assignment, the Directors (excluding Mr. Lai) are of the view that (i) there is a low possibility that Mr. Lai would be uncooperative if and when the Company make enquiry on his ownership in Huili Resources; and (ii) the Undertakings, together with the enforcement term, are effective in reducing the credit risk of the Company. Thus, the risk of non-payment by Mr. Lai is relatively low.

Since the Receivables will be assigned at their carrying amounts, the Assignment would have no effect on the earnings and assets and liabilities of the Company.

In respect of the Postponement Option Clause, as confirmed by Mr. Lai, while he has no intention to exercise his right under the Postponement Option Clause as at the date of the Circular, as he would like to maintain better liquidity to pay the Consideration by several instalments instead of one-off payment, the inclusion of the Postponement Option Clause allows him the flexibility such that in the event of a delay in the Completion to a

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

date close to the Repayment Date, he can opt for postponing the repayment date. The Directors (excluding Mr. Lai) are of the view that Mr. Lai, by personally taking the assignment of the Receivables, offered a one-off measure to mitigate the credit risks and/or loss to the Company and its Shareholders. The Postponement Option Clause provides buffer to Mr. Lai without materially affecting the nature and structure of the Assignment. Even if Mr. Lai exercises his right to delay the payment, the repayment schedule falls within a foreseeable time frame (i.e. by the end of 2025).

Considering that (i) the 12-month postponement option is only a one-off arrangement; (ii) Mr. Lai intends to settle the Consideration on or before the Repayment Date without exercising his right under the Postponement Option Clause; and (iii) it is unlikely that Mr. Lai would be uncooperative in the payment of the Consideration given his financial capabilities and relationship with the Company, the Directors (excluding Mr. Lai) are of the view that (i) the risk of increasing uncertainty and credit risks associated with the Receivables resulting from the Postponement Option Clause is minimal; (ii) the Postponement Option Clause is fair and reasonable and in the interest of the Company and its shareholders as a whole; and (iii) the request of Mr. Lai for the postponement option should not impede the Assignment in its entirety, given that the Assignment represents a comprehensive solution for the Group to minimise uncertainties and credit risks associated with the Receivables.

In view of the above, the Directors (excluding Mr. Lai) are of the view that the Transactions are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We have obtained from the Management and reviewed the Deed of Assignment, and we understand that Mr. Lai shall pay the consideration of HK\$65,745,700 in whole or in part by not more than 10 instalments to the Company and/or its designated third party(ies) on or before the Repayment Date, i.e. 31 December 2024 (or the Postponed Repayment Date, i.e. 31 December 2025). Taking into account that (i) it is a foreseeable timeframe for the Group to recover the outstanding amounts associated with the Receivables in less than 18 months from the Latest Practicable Date; and (ii) the Deed of Assignment and the Assignment provide the Group with a clear plan on the collection of the Receivables, we are of the view that the Assignment allows the Group to mitigate its losses and protect its interests in connection with the Receivables.

In light of (i) the Assignment provides a one-off solution to the Group to recover the outstanding amounts within a foreseeable timeframe; (ii) the execution of the Assignment by the Group will mitigate its losses and protect its interests in connection with the Receivables; (iii) the Assignment will eliminate potential risk of non-recoverability of the outstanding principal amount of the Receivables owed by the relevant debtors; (iv) the risk of non-payment by Mr. Lai is low as Mr. Lai has made the Undertakings and provided the Shenzhen Baiyi Receivables as security to the Company in respect of his payment obligation under the Assignment; (v) on a hypothetical situation where Mr. Lai disposes of Mr. Lai's HK Properties (as defined below), the estimated net proceeds after settling the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

mortgage would amount to around HK\$144,000,000, being an amount that suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full, as discussed in section 4.3 of this letter; and (vi) on a hypothetical situation where the Consideration has not been fully settled by the Repayment Date or the Postponed Repayment Date (i.e. an Event of Default), and Mr. Lai conducts on-market disposals of the Huili Resources Shares and the Shares, the gross proceed of on-market disposals, together with the Shenzhen Baiyi Receivables, as partial settlement of the Consideration, of RMB20,000,000 (equivalent to approximately HK\$21,739,000), would have a value of approximately HK\$133,853,000 in aggregate, an amount suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full, as discussed in section 4.3 of this letter, we are of the view that the Company's entering into the Deed of Assignment and proceeding with the Assignment are appropriate course of actions with regards to the Receivables as Mr. Lai has demonstrated his creditworthiness and repayment ability to honor his obligations under the Deed of Assignment within a timeframe with some certainty and clarity when compared to the existing debtors after having considered our discussions in section 3.3 of this letter.

3. Background of the Receivables

3.1 The First Receivables

The Board Letter stated that, in 2019, the Group has granted an aggregate irrevocable loan facility of HK\$270,000,000 to Central Wealth.

On 24 October 2022, Globally Finance and CWIIL, a wholly-owned subsidiary of Central Wealth, entered into a share charge, pursuant to which Central Wealth agreed to procure CWIIL to charge the Charged Securities in favour of Globally Finance as continuing security for the payment and discharge of the obligation of Central Wealth. In consideration of CWIIL agreeing to enter into the said share charge, Globally Finance has agreed to execute a declaration of trust on the same day, pursuant to which Globally Finance shall declare to act as the trustee of the Charged Securities in favour of CWIIL. Since the Charged Securities were hold on trust, the Company has no discretion to enforce the share charge entered into between Globally Finance and CWIIL and conduct on-market disposal.

On 3 November 2022, upon receiving two letters of instruction from CWIIL, Globally Finance as the trustee entered into the Zhang SPA and the Ouyang SPA on behalf of CWIIL to sell a total of 29,705,000 shares of the Charged Securities to Ms. Zhang and Mr. Ouyang at the considerations of approximately HK\$45,746,000 in total. The considerations payable by Ms. Zhang and Mr. Ouyang shall be made towards the settlement of the loan and interest owed by Central Wealth to Globally Finance on a dollar-to-dollar basis.

As at 3 November 2022, the total loan advanced to Central Wealth was approximately HK\$134.6 million. To the best of the Directors' knowledge, information

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and belief having made all reasonable enquiries, there was no unfavourable indicator as to Central Wealth's credibility and repayment ability at the material time. Considering the concentration of credit associated with a single borrower, the Directors were of the view that diversifying its loan portfolio by entering into the Zhang SPA and the Ouyang SPA was in the best interest of the Company and in line with the common practices in the money lending industry. Immediately upon the completions of the Zhang SPA and the Ouyang SPA on the even date, the loan receivables from Central Wealth amounted to approximately HK\$88.9 million, and the loan receivables from Ms. Zhang and Mr. Ouyang amounted to an aggregate of approximately HK\$45.7 million.

Details of the Zhang SPA and the Ouyang SPA are as follows:

(a) The Zhang SPA

On 3 November 2022, Globally Finance entered into the Zhang SPA with Ms. Zhang, pursuant to which Globally Finance agreed to sell and transfer 17,823,000 issued shares of Shandong Hi-Speed to Ms. Zhang at a consideration of HK\$27,447,420, which shall be paid to Globally Finance within four months/120 days from the date of completion. Completion of the Zhang SPA took place on the date of the Zhang SPA, on which Globally Finance shall deliver relevant title documents and transfer documents to Ms. Zhang. The Zhang SPA did not stipulate any additional charge for default payments for the consideration. Instead, Ms. Zhang entered into the Zhang Share Charge with Globally Finance on 2 March 2023, pursuant to which Ms. Zhang agreed to charge 17,823,000 issued shares of Shandong Hi-Speed to Globally Finance as security for her payment obligations under the Zhang SPA.

(b) The Ouyang SPA

On the same day, Globally Finance entered into the Ouyang SPA with Mr. Ouyang, pursuant to which Globally Finance agreed to sell and transfer 11,882,000 issued shares of Shandong Hi-Speed to Mr. Ouyang at a consideration of HK\$18,298,280, which shall be paid to Globally Finance within 4 months/120 days from the date of completion. Completion of the Ouyang SPA took place on the date of the Ouyang SPA, on which Globally Finance shall deliver relevant title documents and transfer documents to Mr. Ouyang. The Ouyang SPA did not stipulate any additional charge for default payments for the consideration. Instead, Mr. Ouyang entered into the Ouyang Share Charge with Globally Finance on 2 March 2023, pursuant to which Mr. Ouyang agreed to charge 11,882,000 issued shares of Shandong Hi-Speed to Globally Finance as security for his payment obligations under the Ouyang SPA.

In addition to the entering of the Zhang Share Charge and the Ouyang Share Charge, Globally Finance requested each of Ms. Zhang and Mr. Ouyang to provide

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fund proof and was given the understanding that the financial resources that each of them possessed was higher than the consideration stipulated in the Zhang SPA and the Ouyang SPA, respectively.

Unfortunately, as a matter of fact and out of the control of the Group, Ms. Zhang and Mr. Ouyang did not repay Globally Finance, despite the aforementioned measures taken by Globally Finance. Shortly after the original repayment date (i.e. 2 March 2023), Ms. Zhang and Mr. Ouyang indicated they failed to repay on 2 March 2023 and asked for postponement of the payment to 31 December 2023. Globally Finance agreed to extend the repayment date of the loan payable by Ms. Zhang and Mr. Ouyang to 31 December 2023, respectively, provided that each of Ms. Zhang and Mr. Ouyang could provide evidence of sufficient financial resources as and when requested by Globally Finance. The request was accepted by both Ms. Zhang and Mr. Ouyang.

In January 2024, in view of their failure to fulfil their respective payment obligation, Globally Finance appointed a legal adviser to issue a demand letter to each of Ms. Zhang and Mr. Ouyang, demanding immediate payment of outstanding amount. However, Globally Finance did not receive any response to the demand letter.

On 22 March 2024, Globally Finance and the Company entered into the GF Deed of Assignment, pursuant to which Globally Finance assigned, and the Company accepted the assignment of, the First Receivables and the Share Charges.

3.2 The Second Receivables

The Board Letter stated that, in early January 2023, Mr. Cheung Kit Shing, a then Director, proposed to the Board to consider taking the assignment of receivables due and payable by Latop International to World Sincere at a discount of approximately 30%. On 10 January 2023, the Company and World Sincere entered into the WS Deed of Assignment for the assignment of receivables, with the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International, to the Company for a consideration of HK\$20,000,000, which shall be payable by the Company to World Sincere and/or its designated third party(ies) through telegraphic transfer to the designated bank account within seven Business Days following the date of the WS Deed of Assignment. Completion of the WS Deed of Assignment was conditional upon the Company duly settled the consideration, on which the receivables shall be automatically and immediately assigned to the Company. The consideration was duly settled by the Company on the date of the WS Deed of Assignment. At the material time, the ultimate beneficial owner of Latop International was Mr. Song Chun Xiao. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Latop International and its ultimate beneficial owner were independent third parties to the Company and its connected persons at the material time.

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Since the Company did not receive any of the assigned receivables from Latop International, on 22 March 2024, the Company and World Sincere entered into the Deed of Termination, pursuant to which the Company and World Sincere voluntarily terminated, rescinded and cancelled the WS Deed of Assignment with immediate effect, and the consideration of HK\$20,000,000 shall be refunded by World Sincere to the Company within 30 Business Days following the date of the Deed of Termination. In view of the Deed of Assignment, which was entered into on the same day as the Deed of Termination, the Company has not taken actions against World Sincere to recover the refund.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Ms. Zhang, Mr. Ouyang, World Sincere and the ultimate beneficial owner of World Sincere was and is an independent third party to the Company and its connected person(s) at the material time and as at the date of the Circular.

3.3 The Group's action(s) taken to collect the Receivables

As advised by the Management and with reference to the Board Letter, various measures were adopted to recover the Receivables and we have obtained from the Management and reviewed the relevant supporting documents.

In relation to the First Receivables, in view of the unsettled loans (being collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Ms. Zhang; and (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang) on maturity date on 2 March 2023, i.e. within 4 months from the date of the Zhang SPA and the Ouyang SPA respectively, and despite of the maturity date of such loans was extended to 31 December 2023, pursuant to the supplemental agreements entered into between Globally Finance and Ms. Zhang and Mr. Ouyang respectively, Globally Finance's legal adviser issued two demand letters to Ms. Zhang and Mr. Ouyang respectively on 31 January 2024 (the "**Demand Letters**") requiring the settlement of the full outstanding amount. However, as at the Latest Practicable Date, neither Ms. Zhang and Mr. Ouyang has (i) provided any response to the Demand Letters; nor (ii) fulfilled their repayment obligations.

In relation to the Second Receivables, we understand that from the date of the WS Deed of Assignment (i.e. 10 January 2023) to the date of the Deed of Termination entered into by the Company and World Sincere (i.e. 22 March 2024), the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International was unsettled. We were advised by the Management that a former executive Director had made several attempts verbally requiring Latop International to settle the full outstanding amount. However, the Company had not received any of the assigned receivables from Latop International as at the date of the Deed of Assignment.

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Based on our discussion with the Management, each of Ms. Zhang, Mr. Ouyang, World Sincere and Latop International did not formulate any concrete repayment schedules to commit the settlement of the outstanding loans, and there are uncertainties on whether Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International would be capable of repaying the outstanding loan amounts. Taking into account the aforesaid, we concur with the Directors that the Assignment provides a one-off solution to the Group to recover the outstanding amounts within a foreseeable timeframe, thereby minimizing the uncertainty and the credit risks associated with the Receivables.

In addition, on a hypothetical situation where the Company decided to institute legal proceedings against Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International to enforce the respective loan agreements, the relevant time and costs expected to be incurred are uncertain and hard to be estimated, while the Assignment enables the Group to save time and resources that will otherwise be incurred for recovering and collecting the Receivables and provides the Group a foreseeable timeframe on recovery of the long-outstanding amount owed under the respective loan agreements. Hence, we consider that it is in the interest of the Company and the Shareholders as a whole to execute the Assignment instead of instituting legal proceedings against Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International.

4. The proposed Assignment

4.1 *The Deed of Assignment*

The principal terms of the Deed of Assignment are set out as follows:

Date	:	22 March 2024 (after trading hours)
Parties	:	(1) the Company (as assignor); and (2) Mr. Lai (as assignee).
Subject matter	:	The Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables and the Share Charges at a consideration of HK\$65,745,700.
Consideration and payment terms	:	Mr. Lai shall pay the Consideration of HK\$65,745,700 in whole or in part by not more than 10 instalments to the Company and/or its designated third party(ies) through telegraphic transfer to the bank account designated by the Company on or before the Repayment Date.

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Mr. Lai may, if he gives the Company not less than one calendar month's prior notice in writing before the Repayment Date and without the need to obtain any consent by the Company, delay the payment of Consideration to the Postponed Repayment Date. The 12-month postponement option is a one-off arrangement. As confirmed by Mr. Lai, he intended to pay the Consideration on or before the Repayment Date and had no intention to exercise his right under the Postponement Option Clause as at the date of the Circular.

The Consideration was determined after arm's length negotiations between the Company and Mr. Lai after considering the carrying amount of the Receivables of HK\$65,745,700 (being collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Ms. Zhang, (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang, and (iii) the outstanding amount of HK\$20,000,000 due and payable by World Sincere) as at the date of the Deed of Assignment.

The receivables from Mr. Lai carries no interests. As (i) the Assignment aims to provide a one-off solution to the Group to recover all of the Receivables at their carrying amounts within a foreseeable timeframe, instead of money lending in nature; and (ii) the Receivables themselves do not carry any interest before the Assignment, the Directors (excluding Mr. Lai) considered that it is fair and reasonable that the receivables from Mr. Lai carries no interests.

As the Assignment is conditional upon the satisfaction of the conditions precedent set out in the Deed of Assignment, in particular, the shareholders' approval, the Company and Mr. Lai have not agreed on a concrete instalment schedule. However, it is Mr. Lai's intention that the Consideration will be repaid in full on or before the Repayment Date.

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Conditions precedent : Pursuant to the Deed of Assignment, the Completion is conditional upon the following conditions being fulfilled:

- (i) all necessary approvals required under the Listing Rules in connection with the transactions under the Deed of Assignment (including the passing of necessary resolutions by the Shareholders at the EGM) have been obtained;
- (ii) each of the representations, warranties and undertakings of the parties shall be true, accurate and not misleading in all material respects from the date of the Deed of Assignment to the Completion; and
- (iii) no Event of Default shall have occurred.

The parties may waive the second and third conditions precedent above by written notice to the other party. If any of the conditions precedents have not been fulfilled or waived within 180 Business Days from the date of the Deed of Assignment, Mr. Lai shall not be obliged to complete the transactions under the Deed of Assignment and shall be entitled to terminate the Deed of Assignment by written notice to the Company.

As at the Latest Practicable Date, condition precedent (1) had not been fulfilled, and conditions precedent (2) and (3) had not been triggered. The Company does not expect to waive, in whole or in part and conditionally or unconditionally, any of the above conditions precedent.

Security provided : On 5 February 2024, Mr. Lai as lender and Shenzhen Baiyi as borrower entered into a loan agreement, pursuant to which Mr. Lai agreed to make available to the Shenzhen Baiyi Loan. As at the date of the Circular, Shenzhen Baiyi has borrowed the Shenzhen Baiyi Receivables.

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Upon the Completion, Mr. Lai shall deliver the original of the deed of assignment executed by Mr. Lai in favour of the Company to conditionally assign the Shenzhen Baiyi Receivables as partial settlement of the Consideration to the Company.

The completion of the assignment of the Shenzhen Baiyi Receivables is conditional upon the occurrence of any Event of Default as stipulated in the Deed of Assignment.

- Undertakings : Mr. Lai has made the following Undertakings that:
- (i) he shall not sell, transfer, assign, pledge or otherwise dispose the Shenzhen Baiyi Receivables at any time before the Consideration is fully settled; and
 - (ii) except with prior written consent of the Company, he shall not sell, transfer, assign, pledge or otherwise dispose any of the 170,000,000 Huili Resources Shares and the 24,941,589 Shares owned by him at any time before the Consideration is fully settled. Mr. Lai further undertakes that so long as the Consideration has not been fully settled, the proceeds from such disposal of Huili Resources Shares and the Shares shall be used to settle the Consideration.

Events of Default : Each of the events or circumstances set out in the following is an Event of Default:

(a) Non-payment

Mr. Lai does not pay the Consideration in full on the Repayment Date or the Postponed Repayment Date;

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(b) Misrepresentation

Any representation or statement made or deemed to be made by Mr. Lai in the Deed of Assignment is or proves to have been incorrect or misleading in any material respect when made or deemed to be made. Nonetheless, no Event of Default will occur if the event or circumstance resulting in such representation or statement being incorrect or misleading is capable of remedy and is remedied within 10 days of the earlier of (i) Mr. Lai giving notice to the Company and (ii) Mr. Lai becoming aware of the occurrence of such event or circumstance; and

(c) Insolvency

Where Mr. Lai becomes insolvent, is unable to pay his debts, or fails or admits in writing his inability generally to pay his debts as they become due.

Completion : The Completion is deemed to take place on the date on which all conditions precedent have been satisfied or waived.

Upon the Completion, Mr. Lai will become the legal and beneficial owner and have all rights, title and interests to and in the Receivables and the Share Charges.

4.2 Information on the parties

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; (vi) securities brokerage business; and (vii) hotel management and operation. Mr. Lai is an executive Director and a substantial Shareholder.

Mr. Lai has extensive experience in the fields of accounting, finance and investment.

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4.3 Our analysis on the Deed of Assignment

The Consideration of HK\$65,745,700 for the assignment of the Receivables and the Share Charges was determined after arm's length negotiations between the Company and Mr. Lai after considering the carrying amount of the Receivables of HK\$65,745,700 (being collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Ms. Zhang; (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang; and (iii) the outstanding amount of HK\$20,000,000 due and payable by World Sincere) as at the date of the Deed of Assignment. Thus, the Consideration amounts to exactly the face value of the Receivables as at the date of the Deed of Assignment without any discount offered to Mr. Lai.

Based on our review on the Deed of Assignment, we note that in case of Events of Default, as a partial settlement of the Consideration, Mr. Lai as the legal and beneficial owner of the Shenzhen Baiyi Receivables, will assign and transfer to the Company all his rights, title and interests to and in the Shenzhen Baiyi Receivables of RMB20,000,000 (equivalent to approximately HK\$21,739,000).

Moreover, as stated in the Board Letter, Mr. Lai has undertaken to the Company that except with prior written consent of the Company, he shall not sell, transfer, assign, pledge or otherwise dispose any of the 170,000,000 Huili Resources Shares and 24,941,589 Shares owned by him at any time before the Consideration is fully settled. Mr. Lai further undertakes that so long as the Consideration has not been fully settled, the proceeds from such disposal of the Huili Resources Shares and the Shares shall be used to settle the Consideration.

We have also enquired the Management on Mr. Lai's properties. Among Mr. Lai's properties, we have reviewed the title documents of 2 properties ("**Mr. Lai's HK Properties**") which are both located in Hong Kong and wholly owned by Mr. Lai and noted that one of Mr. Lai's HK Properties is mortgage free, while the remaining one is subject to mortgage of around HK\$39,000,000 as at February 2024. We have conducted independent research in relation to the estimated market value for Mr. Lai's HK Properties from the website of The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), a bank with global and local presence which carries on, among other business segments, active property mortgage business in Hong Kong. According to HSBC's online property valuation tool, as at the Latest Practicable Date, the aggregate estimated market value of Mr. Lai's HK Properties amounted to over HK\$180,000,000. On a hypothetical situation where Mr. Lai disposes of Mr. Lai's HK Properties, the estimated net proceeds after settling the mortgage would amount to around HK\$144,000,000, being an amount that suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full.

After considering the respective closing price of the Huili Resources Shares and the Shares as at the Latest Practicable Date of approximately HK\$0.570 per Huili Resources Share and approximately HK\$0.610 per Share, the gross proceeds from

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disposal of the Huili Resources Shares and the Shares will likely be in the ballpark of approximately HK\$112,114,000. On a hypothetical situation where the Consideration has not been fully settled by the Repayment Date or the Postponed Repayment Date (i.e. an Event of Default), and Mr. Lai conducts on-market disposals of the Huili Resources Shares and the Shares, the gross proceed of on-market disposals, together with the Shenzhen Baiyi Receivables, as partial settlement of the Consideration, of RMB20,000,000 (approximately HK\$21,739,000), would have a value of approximately HK\$133,853,000 in aggregate, an amount suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full.

Based on the Undertakings as discussed in section 4.1 of this letter, Mr. Lai demonstrated his capability and has agreed to take full responsibility to settle the Receivables through the Assignment at the Consideration, and settle the Receivables in entirety by (i) the Repayment Date (i.e. 31 December 2024), which is only less than 6 months from the date of the Circular; or (ii) the Postponed Repayment Date (i.e. 31 December 2025), which is less than 18 months from the date of the Circular, in any event.

Upon Completion, the repayment obligations under the Receivables will be assigned to Mr. Lai so the Receivables will effectively become receivables owed by Mr. Lai to the Group (the “**Receivables Due from Mr. Lai**”). The Receivables Due from Mr. Lai are interest-free, while interest charged on the Group’s independent borrowers ranged from 5% to 7.7% as stated under note 24 to the 2023 Annual Report. In addition, pursuant to the terms of the Deed of Assignment, Mr. Lai may, if he gives the Company not less than one calendar month’s prior notice in writing before the Repayment Date (i.e. 31 December 2024) and without the need to obtain any consent by the Company, delay the payment of Consideration to the Postponed Repayment Date (i.e. 31 December 2025). We consider that the Postponed Repayment Date provided flexibility for Mr. Lai to arrange his financial resources to settle the Consideration and therefore encouraged Mr. Lai to enter into the Deed of Assignment.

The Assignment is effectively and in substance Mr. Lai’s effort in taking up the Group’s long overdue or possible bad debts for the benefit of the Group at a dollar-to-dollar basis without any discount or loss to the Group and at the same time giving the Group some certainty or clarity as to repayment schedule compared to the existing debtors including Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International. In addition, having considered (i) the actions already taken by the Group to recover the Receivables, as discussed in section 3.3 of this letter; (ii) based on our discussion with the Management, each of Ms. Zhang, Mr. Ouyang, World Sincere and Latop International did not formulate any concrete repayment schedules to commit the settlement of the outstanding loans, and there are uncertainties on whether Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International would be capable of repaying the outstanding loan amounts, as discussed in section 3.3 of this letter; (iii) it is in the interest of the Company and the Shareholders as a whole to execute the Assignment instead of instituting legal proceedings against Ms. Zhang, Mr. Ouyang, World Sincere

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and/or Latop International, as discussed in section 3.3 of this letter; (iv) the Assignment allows the Group to recover the amounts due under the Receivables from Mr. Lai without any discount or loss to the Group and at the same time giving the Group some certainty or clarity as to repayment schedule compared to the existing debtors (18 months from the date of the Circular versus unknown repayment schedule); (v) we understand from the Management that the Receivables are already interest-free as at the Latest Practicable Date so the Company's position is no worse off; (vi) based on the current circumstances of the Receivables, we are of the view that assigning the Receivables to another party (if such a party can indeed be identified) will likely involve significant discount with an example being the 30% discount of the assignment of the underlying receivable due from Latop International to World Sincere under the Second Receivables to the Company in early January 2023 which would create further losses to the Company as compared to the Assignment; and (vii) the Postponed Repayment Date provided flexibility for Mr. Lai to arrange his financial resources to settle the Consideration and therefore encouraged Mr. Lai to enter into the Deed of Assignment, we consider (i) the Assignment; (ii) the terms of the Receivables Due from Mr. Lai (including the interest-free arrangement); and (iii) the terms of the Postponed Repayment Date are acceptable, fair and reasonable.

5. Conclusion

Having considered the above principal factors and in particular:

- (i) the reasons for and benefits of the Assignment as discussed in section 2 of this letter;
- (ii) the actions already taken by the Group to recover the Receivables, as discussed in section 3.3 of this letter;
- (iii) based on our discussion with the Management, each of Ms. Zhang, Mr. Ouyang, World Sincere and Latop International did not formulate any concrete repayment schedules to commit the settlement of the outstanding loans, and there are uncertainties on whether Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International would be capable of repaying the outstanding loan amounts, as discussed in section 3.3 of this letter;
- (iv) it is in the interest of the Company and the Shareholders as a whole to execute the Assignment instead of instituting legal proceedings against Ms. Zhang, Mr. Ouyang, World Sincere and/or Latop International, as discussed in section 3.3 of this letter;
- (v) the Consideration amounts to exactly the face amount of the Receivables as at the date of the Deed of Assignment without any discount offered to Mr. Lai, as discussed in section 4.3 of this letter;

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- (vi) on a hypothetical situation where Mr. Lai disposes of Mr. Lai's HK Properties, the estimated net proceeds after settling the mortgage would amount to around HK\$141,000,000, being an amount that suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full, as discussed in section 4.3 of this letter;
- (vii) the gross proceeds of on-market disposals of the Huili Resources Shares and the Shares, together with the Shenzhen Baiyi Receivables, as partial settlement of the Consideration, of RMB20,000,000 (equivalent to approximately HK\$21,739,000), would have a value of approximately HK\$133,853,000 in aggregate, an amount suffices the purpose of the Consideration settlement in the amount of HK\$65,745,700 in full, as discussed in section 4.3 of this letter;
- (viii) the Postponed Repayment Date (i.e. 31 December 2025), which is less than 18 months from the date of the Circular provides the Group with some certainty or clarity as to repayment schedule when compared to the existing debtors; and
- (ix) the terms of the Receivables Due from Mr. Lai (including the interest-free arrangement) are acceptable, fair and reasonable, as discussed in section 4.3 of this letter,

we are of the view that the Transactions are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

OPINION AND RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the Transactions, although not in the ordinary and usual course of business, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, we would recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favor of the ordinary resolution(s) to approve the Transactions at the EGM.

Yours faithfully,

For and on behalf of

Grand Moore Capital Limited

Kevin So

Florence Ng

Managing Director –

Associate Director

Investment Banking Department

Notes: Mr. Kevin So is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Mr. So has over 20 years of experience in the corporate finance industry in Hong Kong.

Ms. Florence Ng is a licensed person under the SFO to undertake type 6 regulated activity (advising on corporate finance) and is a responsible officer in respect of Grand Moore Capital Limited's type 6 regulated activity (advising on corporate finance). Ms. Ng has over 10 years of experience in the corporate finance industry in Hong Kong.

1. SUMMARY OF FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 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):

- (i) annual report of the Company for the year ended 31 December 2021 published on 29 April 2022 (pages 64 to 171):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042901517.pdf>

- (ii) annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 71 to 173):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802272.pdf>

- (iii) annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 66 to 165):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901603.pdf>

2. INDEBTEDNESS

The following table set forth a breakdown of our indebtedness as at 31 May 2024, being the latest practicable date for the purpose of this indebtedness in this circular.

	As at 31 May 2024 <i>HK\$'000</i> (unaudited)
Bank borrowings ^{(note (a))}	272,927
Other borrowings ^{(note (b))}	191,395
Lease liabilities ^{(note (c))}	757
Bond payable ^{(note (d))}	42,768
Loan from a director ^{(note (e))}	21,540
	<hr/>
	529,387
	<hr/> <hr/>

Notes:

- (a) As at 31 May 2024, the bank borrowings are secured by the investment properties of the Group with a net carry amount of approximately HK\$604,000,000 (unaudited), and bear interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower and (iii) 2.5% per annum over HIBOR (1 week to 1 month).
- (b) As at 31 May 2024, part of the other borrowings amounting to approximately HK\$88,218,000 (unaudited) are secured by the pledges of financial assets at fair value through other comprehensive income of approximately HK\$11,977,000 (unaudited), financial assets at fair value through profit or loss of approximately HK\$17,568,000 (unaudited) and an investment property of the Group with a net carrying amount of HK\$270,000,000 (unaudited). The remaining balance of other borrowings amounting to RMB95,800,000 (unaudited) (equivalent to approximately HK\$103,177,000 (unaudited)) are loans from a director of a subsidiary of the Group and certain individual third parties, which are repayable on demand, unsecured and interest free.
- (c) The Group entered into several lease agreements for leasing of office premises located in Hong Kong and recognised right-of-use asset and lease liability for these leases. Such lease liabilities amounted to approximately HK\$757,000 (unaudited) as at 31 May 2024, which were classified as to approximately HK\$571,000 (unaudited) as current liabilities and approximately HK\$186,000 (unaudited) as non-current liabilities. The interest rate of the lease liabilities ranging from 7.34% to 7.60% per annum.
- (d) The Group issued a bond with maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime Rate payable quarterly in arrears with a net carrying amount of approximately HK\$42,768,000 (unaudited), which was classified as current liabilities as at 31 May 2024.
- (e) On 5 February 2024, Mr. Lai lent RMB20,000,000 (unaudited) (equivalent to approximately HK\$21,540,000 as at 31 May 2024) to Shenzhen Baiyi for a term of two years, which is unsecured and interest free.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, at the close of business on 31 May 2024, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that taking into account the existing banking and other borrowing facilities available and 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.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, so far as was known to the Directors, there are no material adverse change in the financial or trading position of the Group as at 31 December 2023, the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activities of the Company are investment holding. Its subsidiaries 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; (vi) securities brokerage business; and (vii) hotel management and operation.

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$38,948,000 (2022: approximately HK\$47,137,000). A revenue of approximately HK\$17,134,000 (2022: approximately HK\$16,071,000) was generated and a loss of approximately HK\$302,000 (2022: approximately HK\$18,917,000) was recorded from the segment of high technology business. The revenue in high technology business was contributed by integrated circuit business.

Whilst the high technology business segment of the Group has continued to contribute to the Group, in light of the disruption in the supply chain as a result of the COVID-19 pandemic, the Group is in the course of reviewing its high technology business and expects that the business environment of high technology business segment and outlook for the coming financial year will remain highly challenging and uncertain. To mitigate the impact of the COVID-19 pandemic on the high technology business segment, the Group has been continuously exploring suitable opportunities of investment with the objectives of broadening sources of income and maximising the Shareholders' interests.

In March 2024, the Group completed its acquisition of Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司), providing a valuable entry into the hotel management and operation market in Shanxi Province, the PRC. After the COVID-19 pandemic, the PRC government started to ease travel restrictions in early 2023 after the epidemic abated. Some incentive policies were released by the PRC government to boost tourism. The Chinese hotel sector demonstrated a resilient recovery during the first nine months of 2023 and the occupancy rate was close to pre-pandemic levels. In particular, the “golden week” holiday recorded an all-time high occupancy rate, predominantly driven by domestic tourism, especially in lower-tier cities. Despite these developments, China's hotel industry remains relatively affordable compared to other Asia-Pacific markets, reflecting its stable and attractive position within the current economic climate. The entry into the PRC's hotel management and operation market diversified the revenue streams of the Group. The Group is optimistic to the long-term economic growth in the PRC and will continue to review its business portfolio and will make necessary adjustments to fit in the trading and economic environment that is in the interests of the Company and the Shareholders as a whole.

In May 2024, the Group completed to acquire and take assignment of, and the vendor has sell and assign, the entire equity interest in Shanxi Mei Lian Hang Property Management Co., Ltd.* (the “MLH” and together its subsidiaries, the “MLH Group”), and the shareholder's loan at considerations of RMB3,400,000 and RMB32,000,000, respectively (the “Acquisition”).

* For identification purpose only

The Group has been continuously exploring suitable opportunities to expand and optimise its property investment portfolio, with the objectives of generating stable rental income and capital appreciation to maximise the Shareholders' interests. The MLH owns and manages various properties across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai. The Acquisition represent an investment opportunity to expand the Group's service offerings to property management and diversify the Group's property investment portfolio in the aforementioned regions in the PRC. In addition, the Group may reap the benefits from the long term potential appreciation of the properties held by the MLH Group.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating 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

(a) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company or their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required 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 have taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), were as follows:

Long position in Shares and underlying shares of the Company

Name of Director	Nature of interests	Interest in Shares	Approximate percentage of issued Shares
Mr. Lai ^(Note 1)	Interest of controlled corporation	50,316,589	21.67%
Yu Qingrui	Beneficial owner	133,511	0.06%

Note:

- (1) These shares are held by China Clean Energy Technology Limited, which is wholly owned by Mr. Lai.

Save as disclosed above, so far as the Directors were aware, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of

Part XV of the SFO) which (i) were required 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 have taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of substantial Shareholders

As far as was known to any Director or chief executive of the Company, as at the Latest Practicable Date, the persons (not being a Director or chief executive of the Company) or companies who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of 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 Shares

Name of Shareholder	Nature of interests	Interest in Shares	Approximate percentage of issued Shares
China Clean Energy Technology Limited ^(Note 1)	Beneficial owner	50,316,589	21.67%
Tan Jinkang	Beneficial owner	22,440,000	9.66%
Yip Chun Tat	Beneficial owner	21,960,000	9.46%
Liu Mingzhong	Beneficial owner	21,320,000	9.18%
Yang Xuanzi	Beneficial owner	20,880,000	8.99%
Fang Wen Wen	Beneficial owner	19,143,000	8.24%

Note:

- (1) Mr. Lai is the sole shareholder and sole director of China Clean Energy Technology Limited. Mr. Lai is deemed to have interests in the Shares held by China Clean Energy Technology Limited.

Save as disclosed above, so far as the Directors were aware, as at the Latest Practicable Date, there were no other persons who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTEREST

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), 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.

During the year ended 31 December 2023, Mr. Liang Jian, Mr. Yu Zhenzhong and Mr. Chen Pei (Mr. Chen Pei resigned as independent non-executive director of the Company on 21 March 2023) held directorships in companies engaged in high technology business. Those companies have been operating under separate and independent managements. None of the abovementioned directors of the Company 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, as at the Latest Practicable Date, none of the Directors had any business or interest that competes or may compete with the business of the Group and had any other conflict of interest with the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENTS OF THE GROUP

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 2023 (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.

6. LITIGATION

As far as the Directors are aware, none of the members of the Group was at present engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Grand Moore Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Grand Moore Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear. The letter from the Independent Financial Adviser was given as of the date of this circular for incorporation in this circular.

As at the Latest Practicable Date, Grand Moore Capital Limited (i) had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, and (ii) did not have any interest, direct or indirect, in any assets which has been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up).

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) of the Group have been entered into by the members of the Group during the period commencing two years preceding the Latest Practicable Date and are or may be material:

- (a) the sale and purchase agreement dated 2 January 2023 and entered into between 合肥哈工聚暉智能科技有限公司 as purchaser and 合肥哈工威達智能裝備有限公司, a subsidiary of the Company, as vendor for disposal of 51% equity interests in 合肥哈工焊研威達自動化科技有限公司 for a total cash consideration of RMB1,500,000;
- (b) the underwriting agreement dated 16 June 2023 and entered into between the Company and Central Wealth Securities Investment Limited as underwriter in relation to the rights issue on the basis of one rights Share for every one Share of 116,095,491 rights Share at the subscription price of HK\$0.6 per rights Share;
- (c) the first equity transfer agreement dated 29 December 2023 and entered into among Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司), a wholly-owned subsidiary of the Company (“**Shenzhen Baiyi**”) as purchaser, Zhang Zhang (張璋) as vendor, Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) (“**Ronghuitong Hotel**”) and Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) (“**Junting Hotel**”) in relation to the acquisition of 40% and 60% equity interest in Junting Hotel at considerations of RMB1 and RMB2,500,000 respectively from vendor and Ronghuitong Hotel respectively;
- (d) the second equity transfer agreement dated 29 December 2023 and entered into among Shenzhen Baiyi as purchaser, Chang Yuzhi (常玉枝) as vendor and Ronghuitong Hotel in relation to the acquisition of 100% equity interest in Ronghuitong Hotel at a consideration of RMB15,400,000;
- (e) the supplemental agreement dated 2 February 2024 and entered into between Globally Finance as lender and Central Wealth as borrower in relation to, among others, the extension of the loan facility granted by Globally Finance to Central Wealth under the original loan agreement dated 7 September 2017 (as supplemented by four supplemental agreements dated 19 September 2017, 25 April 2018, 7 October 2020 and 2 February 2024) and the revision of principal amount thereof;
- (f) the sales and purchase agreement dated 18 March 2024 entered into between Shenzhen Baiyi as purchaser and Hao Xiaorun (郝曉潤) as vendor in relation to the acquisition of the entire equity interest in Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“**MLH Property**”) and the assignment of the non-interest bearing and unsecured shareholder’s loan provided by Hao Xiaorun to

MLH Property in the carrying amount of RMB32,000,000 as at the date of the sales and purchase agreement at considerations of RMB3,400,000 and RMB32,000,000, respectively;

- (g) the sales and purchase agreement dated 18 March 2024 entered into between MLH Property as purchaser and Cui Zhijun (崔志軍) as vendor in relation to the acquisition of 10% equity interest in Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) at a consideration of RMB3,900,000;
- (h) the Deed of Assignment dated 22 March 2024;
- (i) the sales and purchase agreement dated 15 April 2024 and entered into between Alpha Idea Holdings Limited as vendor and Lee Sai Cheung Ken (李世章) as purchaser in relation to the disposal of the entire issued share in Topsky Eagle Limited (天鷹有限公司) (“**Topsky Eagle**”) and assignment of the non-interest bearing and unsecured loans provided by the Company and a subsidiary of the Company to Topsky Eagle in the aggregate carrying amount of approximately HK\$41,981,000 at a consideration of HK\$38,000,000, subject to adjustments;
- (j) the acquisition agreement dated 26 June 2024 and entered into between Choi Cheuk Heng Zenith (蔡卓衡) as vendor and the Company as purchaser in relation to the acquisition of the entire issued share capital of Excelerate Holding Limited (卓思投資控股有限公司) for the consideration of HK\$2,000,000, subject to adjustments; and
- (k) the sales and purchase agreement dated 26 June 2024 entered into between the Company as purchaser and Chu Yuk Shun Joseph (朱煜信) as vendor in relation to the acquisition of the entire equity interest in Elite Holdings International Limited (“**Elite Holdings International**”) and the assignment of the non-interest bearing and unsecured loan provided by Mr. Chu Yuk Shun Joseph to Elite Holdings International in the carrying amount of RMB25,000,001 as at the date of the sales and purchase agreement at considerations of RMB1,774,700 and RMB25,000,000, respectively.

9. CORPORATE INFORMATION OF THE GROUP

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 612 Tai Yau Building 181 Johnston Road Wan Chai Hong Kong
Company secretary	Mr. Chu Kin Ming <i>(fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute)</i>
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 17M Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fw-holdings.com) for 14 days from the date of this circular:

- (a) the Deed of Assignment dated 22 March 2024;
- (b) the letter from the Independent Board Committee dated 17 July 2024;
- (c) the letter from the Independent Financial Adviser dated 17 July 2024;

- (d) the written consent given by the Independent Financial Adviser as referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix;
- (e) the material contracts, referred in the paragraph headed “MATERIAL CONTRACTS” in this appendix; and
- (f) this circular.

* *For identification purpose only*

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 (“**EGM**”) of Future World Holdings Limited (the “**Company**”) will be held at Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong at 11:00 a.m. on Monday, 5 August 2024 for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the Deed of Assignment dated 22 March 2024 entered into between the Company and Mr. Lai Long Wai 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, where applicable) which he/she/they consider(s) necessary, desirable or expedient to give effect to the Deed of Assignment 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.”

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

Hong Kong, 17 July 2024

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:
Unit 612
Tai Yau Building
181 Johnston Road
Wan Chai
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, subject to provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 17 July 2024. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of authority must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, 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.
4. In the case of joint holders of Shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto, but if more than one such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from 31 July 2024 to 5 August 2024 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, all relevant transfer documents accompanied by the relevant Share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on 30 July 2024 for registration.