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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 TRANSACTIONS IN RELATION TO  
(1) THE ACQUISITION OF PROPERTY AND  
(2) THE ASSIGNMENT OF RECEIVABLES  
AND  
NOTICE OF EGM**

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



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A letter from the board of directors of Future World Holdings Limited (the “**Company**”) is set out on pages 6 to 17 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 Friday, 14 March 2025 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](http://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.

25 February 2025

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Company pursuant to the Conditional Provisional Agreement
“Assignment”	the assignment of the Receivables from the Company to Mr. Lai pursuant to the Deed of Assignment
“associate(s)”	has the meaning ascribed to it 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
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 of the Acquisition”	the completion of the transaction(s) contemplated under the Conditional Provisional Agreement
“Completion of the Assignment”	the completion of the transaction(s) contemplated under the Deed of Assignment
“Conditional Provisional Agreement”	the conditional provisional agreement entered into between the Purchaser as the purchaser and Mr. Lai as the seller on 23 December 2024 in respect of the transfer of the Property from Mr. Lai to the Purchaser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Assignment”	the deed of assignment entered into between the Company as the assignor and Mr. Lai as the assignee on 23 December 2024 in respect of the assignment of the Receivables from the Company to Mr. Lai
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“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 Conditional Provisional Agreement, the Deed of Assignment and the transactions contemplated thereunder
“Formal Agreement”	the formal agreement to be entered into between the Company and Mr. Lai on or before 31 March 2025 pursuant to the Conditional Provisional Agreement
“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
“HKD Prime Rate”	the HKD prime rate from time to time, which is 5.5% as at the date of this circular
“HK\$ or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Conditional Provisional Agreement and 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 Conditional Provisional Agreement and the Deed of Assignment and the transactions contemplated thereunder

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## DEFINITIONS

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“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 Acquisition and/or the Assignment
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Latest Practicable Date”	17 February 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“March 2024 Assignment”	the assignment of two receivables and a share charge from the Company to Mr. Lai pursuant to a deed of assignment entered into between the Company as the assignor and Mr. Lai as the assignee on 22 March 2024, the details of which have been set out in the circular of the Company dated 17 July 2024
“Mr. Lai”	Mr. Lai Long Wai (黎朗威), an executive Director and a substantial shareholder of the Company
“Mr. You”	Mr. You Yong (游勇)
“Ms. Lee”	Ms. Lee Chau Man Ada (李秋敏)
“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
“Property”	the property located at Flat B, 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong
“Purchaser”	Future Group Investment Holdings Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of the Conditional Provisional Agreement and this circular

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## DEFINITIONS

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“Receivables”	collectively, (i) the Receivables from YuLong, (ii) the Receivables from YL Asia Pacific, (iii) the Receivables from Ms. Lee and (iv) the Receivables from Mr. You
“Receivables from Mr. You”	the outstanding loan and interest receivables of HK\$9,071,043 as at the date of the Deed of Assignment due and payable by Mr. You pursuant to two loan facility letters entered into between Globally Finance as the lender and Mr. You as the borrower on 21 September 2022 and 20 October 2022
“Receivables from Ms. Lee”	the outstanding loan and interest receivables of HK\$4,500,274 as at the date of the Deed of Assignment due and payable by Ms. Lee pursuant to a loan facility letter entered into between Globally Finance as the lender and Ms. Lee as the borrower on 9 April 2021
“Receivables from YL Asia Pacific”	the outstanding note receivables (inclusive of interest and default interest) of HK\$2,285,143 as at the date of the Deed of Assignment due and payable by YL Asia Pacific pursuant to a note instrument entered into between the Company as the subscriber and YL Asia Pacific as the issuer on 9 March 2023
“Receivables from YuLong”	the outstanding note receivables (inclusive of interest and default interest) of HK\$7,534,804 as at the date of the Deed of Assignment due and payable by YuLong pursuant to a note instrument entered into between the Company as the subscriber and YuLong as the issuer on 3 March 2023
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) in the issued share capital of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“YL Asia Pacific”	YL Asia Pacific Innovation and Technology Services Limited, a company established in the British Virgin Islands with limited liability
“YuLong”	YuLong International Capital Limited, a company established in the British Virgin Islands with limited liability
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Ms. Wang Qian (*Chairlady*)  
Mr. Liang Jian  
Mr. Yu Qingrui  
Mr. Su Wei  
Mr. Lai Long Wai

*Registered Office:*

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

*Independent Non-executive Directors:*

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

*Head Office and Principal Place of  
Business:*

Unit 612  
Tai Yau Building  
181 Johnston Road  
Wanchai  
Hong Kong

25 February 2025

*To the Shareholders*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO**  
**(1) THE ACQUISITION OF PROPERTY AND**  
**(2) THE ASSIGNMENT OF RECEIVABLES**  
**AND**  
**NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 23 December 2024 in relation to the Acquisition and the Assignment.

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## LETTER FROM THE BOARD

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

### THE ACQUISITION

On 23 December 2024 (after trading hours), the Purchaser as the purchaser and Mr. Lai as the seller entered into the Conditional Provisional Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the Property.

#### The Conditional Provisional Agreement

The Conditional Provisional Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Conditional Provisional Agreement shall have binding effect on the parties, and shall remain in full force and effect unless and until replaced by the Formal Agreement.

A summary of the principal terms of the Conditional Provisional Agreement is set out below:

<b>Date</b>	23 December 2024 (after trading hours)
<b>Parties</b>	(1) The Purchaser (as the purchaser); and (2) Mr. Lai (as the seller)
<b>Property</b>	Flat B, 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong and including thereto all the fixture and fittings.  The Property is sold on an “as is” basis subject to the existing tenancy agreement.

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## LETTER FROM THE BOARD

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### **Consideration and payment terms**

The consideration for the Acquisition of HK\$88,000,000 shall be payable by the Purchaser to Mr. Lai in the following manner:

- (i) HK\$8,800,000 (representing 10% of the consideration) shall be paid in cash by the Company upon the signing of the Conditional Provisional Agreement; and
- (ii) the balance of HK\$79,200,000 representing 90% of the consideration) shall be payable in cash by the Purchaser at the Completion of the Acquisition.

It is estimated that the total cost of the Acquisition together with the transaction costs such as stamp duty and professional fees will be approximately HK\$4,300,000.

### **Formal Agreement**

The Purchaser and Mr. Lai shall enter into the Formal Agreement on or before 31 March 2025.

There will be no material variance of the condition and other terms with those to be incorporated in the Formal Agreement.

### **Conditions precedent**

The Completion of the Acquisition is conditional upon the following conditions being fulfilled:

- (1) all necessary approvals required under the Listing Rules in connection with the transactions under the Conditional Provisional Agreement (including the passing of necessary resolutions by the Shareholders at the EGM) have been obtained; and
- (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 Conditional Provisional Agreement to the Completion of the Acquisition.

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## LETTER FROM THE BOARD

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The parties may waive the second condition precedent above by written notice to the other party. If the conditions set out above have not been fulfilled or waived on or before 30 June 2025, or such later date as the Vendor and the Purchaser may agree in writing, subject to the refund of deposit to the Purchaser, the Conditional Provisional Agreement and/or the Formal Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

As at the Latest Practicable Date, condition precedent (1) had not been fulfilled, and condition precedent (2) 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.

### **Completion**

Subject to fulfillment or waiver of the above conditions precedent, the Completion of the Acquisition shall take place on or before 30 June 2025, unless otherwise agreed by the parties.

Mr. Lai shall deliver the Property to the Purchaser upon completion. Upon completion, the Purchaser will become the legal and beneficial owner and have all rights, title and interests to and in the Property.

### **Information on the Property**

The Property is situated at Flat B, 28th Floor, Broadview Villa, No. 20 Broadwood Road, Hong Kong. It is a residential unit with a gross floor area of approximately 2,593 sq. ft.. The Property is currently leased out to an Independent Third Party at HK\$100,000 per month for a term up to 31 December 2025.

The original acquisition cost of the Property by Mr. Lai was HK\$100,000,000. The valuation of the Property was approximately HK\$88,000,000 as at 30 November 2024, which was valued based on a market approach by Masterpiece Valuation Advisory Limited, an independent property valuer. For further details, please refer to the property valuation report as set out in Appendix IV to this circular.

### **Basis of Determination of Consideration**

The consideration for the Acquisition of HK\$88,000,000 was determined after arm's length negotiations between the Company and Mr. Lai after considering the valuation of the Property of approximately HK\$88,000,000 as at 30 November 2024.

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## LETTER FROM THE BOARD

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### **Reasons for and Benefits of the Acquisition**

The Group currently holds two residential properties in Hong Kong and various residential and commercial properties in the PRC. 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 Property is located in Happy Valley, one of the upper-income residential neighbourhood in Hong Kong known for the desirable living conditions. The Directors considered that given the recent decline in Hong Kong property price coupled with the ongoing market demand for rental homes, the Acquisition is a good investment opportunity with the potential for a reasonably attractive return for the Company. The Directors are also optimistic to the long-term prospects of the Hong Kong property market, anticipating capital appreciation in the value of the property over time.

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 Conditional Provisional Agreement and the transactions contemplated thereunder) are of the view that the Conditional Provisional Agreement 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.

### **Financial Impact of the Acquisition**

#### *Earnings*

As set out in the paragraph headed "THE ACQUISITION" in this section, the Property is sold to the Purchaser on an "as is" basis subject to the existing tenancy agreement. The Property is currently leased out to an Independent Third Party at HK\$100,000 per month for a term up to 31 December 2025. Upon the Completion of the Acquisition, the Company enjoys rental income from the Property which has a positive effect on the earnings of the Company.

#### *Assets and Liabilities*

Upon the Completion of the Acquisition, the total assets of the Group are expected to be increased by approximately HK\$92.4 million as a result of the increase in investment properties of the Group by approximately HK\$92.4 million. The total liabilities of the Group are expected to be increased by approximately HK\$92.4 million due to the increase in amount due to a director by HK\$88.0 million and the increase in other costs such as stamp duty and legal fee by approximately HK\$4.4 million.

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## LETTER FROM THE BOARD

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### THE ASSIGNMENT

On 23 December 2024 (after trading hours), the Company as the assignor and Mr. Lai as the assignee entered into the Deed of Assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables at a consideration of HK\$23,391,264. Upon completion of the Deed of Assignment, Mr. Lai will be entitled to all the rights, title and interests to and in the Receivables.

### Background

#### *1. The Receivables from Ms. Lee*

On 9 April 2021, Globally Finance as the lender and Ms. Lee as the borrower entered into a loan facility letter, pursuant to which Globally Finance agreed to provide a loan in the principal amount of HK\$4,000,000 with an interest rate of 5% per annum for a term of three years. The loan from Ms. Lee fell due on 1 June 2024. According to the repayment schedule agreed with Ms. Lee, the loan and interest receivables from Ms. Lee will be settled by December 2024. On 23 December 2024, Globally Finance assigned the loans from Ms. Lee to the Company at its gross amount. As at the date of the Deed of Assignment, the outstanding loan and interest receivables from Ms. Lee amounted to HK\$4,500,274.

#### *2. The Receivables from Mr. You*

On 21 September 2022 and 20 October 2022, Globally Finance as the lender and Mr. You as the borrower entered into two loan facility letters, pursuant to which Globally Finance agreed to provide two loans in the principal amount of HK\$3,000,000 and HK\$6,500,000, respectively, both with an interest rate of 7.5% per annum for a term of two years. The loans from Mr. You fell due on 20 September 2024 and 19 October 2024, respectively. On 23 December 2024, Globally Finance assigned the loans from Mr. You to the Company at its gross amount. As at the date of the Deed of Assignment, the total outstanding loan and interest receivables from Mr. You amounted to HK\$9,071,043.

#### *3. The Receivables from YuLong*

On 3 March 2023, the Company as the subscriber and YuLong as the issuer entered into a note instrument, pursuant to which the Company agreed to subscribe from YuLong a short-term note (the “**YuLong Note**”) in the principal amount of HK\$7,800,000 with an interest rate of 5.5% per annum calculated at 2 March 2024 on the basis of 365 days per annum, payable to the Company on 2 March 2024. The YuLong Note matured on 2 March 2024. As at the date of the Deed of Assignment, the outstanding note receivables (inclusive of interest and default interest) from YuLong amounted to HK\$7,534,804.

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## LETTER FROM THE BOARD

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#### **4. *The Receivables from YL Asia Pacific***

On 9 March 2023, the Company as the subscriber and YL Asia Pacific as the issuer entered into a note instrument, pursuant to which the Company agreed to subscribe from YL Asia Pacific a short-term note (the “**YL Asia Pacific Note**”) in the principal amount of HK\$5,000,000 with an interest rate of 5.5% per annum calculated at 8 March 2024 on the basis of 365 days per annum, payable to the Company on 8 March 2024. The YL Asia Pacific Note matured on 8 March 2024. As at the date of the Deed of Assignment, the outstanding note receivables (inclusive of interest and default interest) from YL Asia Pacific amounted to HK\$2,285,143.

#### **5. *The March 2024 Assignment***

The March 2024 Assignment was completed on 5 August 2024. As at the date of the Deed of Assignment, Mr. Lai has not paid the consideration for the March 2024 Assignment of HK\$65,745,700 to the Company.

#### **6. *The Acquisition of the Property***

On 23 December 2024, the Company as the purchaser and Mr. Lai as the seller entered into the Conditional Provisional Agreement, pursuant to which the Company has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the Property at a consideration of HK\$88,000,000. For details of the Acquisition, please refer to the paragraph headed “THE ACQUISITION” in this section.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) the ultimate beneficial owners of YuLong and YL Asia Pacific were and are Ms. Su Shijin and Ms. Lui Ting Ting, respectively, at the material time and as at the Latest Practicable Date, and (ii) each of Ms. Lee, Mr. You, YuLong and YL Asia Pacific and their ultimate beneficial owner was and is an independent third party to the Company and its connected person(s) at the material time and as at the Latest Practicable Date.

#### **The Deed of Assignment**

<b>Date</b>	23 December 2024 (after trading hours)
<b>Parties</b>	(1) The Company (as the assignor); and (2) Mr. Lai (as the assignee)

#### **Subject Matter**

The Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables at a consideration of HK\$23,391,264.

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## LETTER FROM THE BOARD

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### Considerations and Payment Terms

The consideration of HK\$23,391,264 for the Assignment was determined after arm's length negotiations between the Company and Mr. Lai after considering the gross amount of the Receivables of HK\$23,391,264 as at the date of the Deed of Assignment.

The consideration of HK\$23,391,264 for the Assignment, together with the consideration for the March 2024 Assignment of HK\$65,745,700, shall be offset against the consideration for the Acquisition of HK\$88,000,000. Upon the Completion of the Acquisition and the Completion of the Assignment, the net amount payable by Mr. Lai to the Company shall therefore be HK\$1,136,964 (the "Net Payable").

Mr. Lai shall pay the Net Payable to the Company and/or its designated third party(ies) through telegraphic transfer to the bank account designated by the Company and/or its designated third party(ies) within 180 Business Days following the date of the Deed of Assignment.

### Conditions precedent

Pursuant to the Deed of Assignment, the Completion of the Assignment is conditional upon:

- (1) the Completion of the Acquisition;
- (2) 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;
- (3) 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 of the Assignment; and
- (4) no event of default (as defined below) shall have occurred.

The parties may waive the third and fourth conditions precedent above by written notice to the other party. If the conditions set out above have not been fulfilled or waived on or before 30 June 2025, or such later date as the Vendor and the Purchaser may agree in writing, the Deed of Assignment shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

As at the Latest Practicable Date, conditions precedent (1) and (2) had not been fulfilled, and conditions precedent (3) and (4) 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.

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## LETTER FROM THE BOARD

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### 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 Net Payable in full within 180 Business Days following the date of the Deed of Assignment;

*(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 of the Assignment is deemed to take place on the date on which all conditions precedent have been satisfied or waived.

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

### Reasons for and Benefits of the Assignment

Each of the Receivables has been overdue. Mr. Lai, an executive Director and a substantial Shareholder, has agreed to take assignment of the rights, titles and benefits of the Receivables at their gross amount of HK\$23,391,264 as at the date of the Deed of Assignment. The Assignment represents a simple yet effective way to reduce the Group’s inherent risk of non-recoverability associated with the Receivables and enable the Group to save time and resources that would otherwise be utilised for collecting and recovering the Receivables. The net assets of the Group are expected to be increased by approximately HK\$5.7 million as a result of the increase in amount due from a director of HK\$22.6 million, which was partially offset by the decrease in loan and interest receivables of HK\$16.9 million. The gain of HK\$5.7 million represents a

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## LETTER FROM THE BOARD

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reversal of credit loss allowances related to the Receivables. For further details, please refer to the unaudited pro forma financial information of the Group as set out in Appendix III to this circular.

Furthermore, as at the date of this circular, the Group has an outstanding amount payable to Mr. Lai of HK\$8,800,000 (being the first instalment of the consideration of the Acquisition). Following the Completion of the Acquisition, the amount payable to Mr. Lai will increase to HK\$88,000,000. The Directors considered that it is in the interest of the Group to proceed with the Assignment, as it allows the Group to set-off the amounts owed to Mr. Lai without the need of substantial cash outflow. As such, the Group can maintain liquidity while fulfilling its payment obligations in full to Mr. Lai. In the event that the Assignment is not completed, the consideration of the Acquisition will be offset by the outstanding receivables of HK\$65,745,700 from Mr. Lai for the March 2024 Assignment and the remaining amount of HK\$22,254,300 will be satisfied by internal resources of the Group.

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 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.

### INFORMATION ON THE PARTIES

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) property investment, management and agency; (ii) securities trading and investment; (iii) provision of financing services; (iv) securities brokerage business; (v) hotel operation and ancillary business; and (vi) asset management.

Mr. Lai is an executive Director since 10 November 2023. Mr. Lai has extensive experience in the fields of accounting, finance and investment.

### IMPLICATIONS UNDER 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. Therefore, the Acquisition and the Assignment also constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 22 March 2024 and the circular of the Company dated 17 July 2024 in relation to the March 2024 Assignment. Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related. Having considered the Assignment and the March 2024 Assignment are

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## LETTER FROM THE BOARD

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of the same nature between the Company and Mr. Lai which were entered into within the past 12 months, the Assignment and the March 2024 Assignment are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Deed of Assignment.

As one or more applicable percentage ratios of each of the Acquisition and the Assignment (after aggregation with the March 2024 Assignment) is more than 25% but all applicable percentage ratios are less than 100%, each of the Acquisition and 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.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Conditional Provisional Agreement and the Deed of Assignment and the transactions contemplated thereunder. Grand Moore Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### THE EGM

A notice convening the EGM to be held at Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong on Friday, 14 March 2025 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 resolutions approving the Conditional Provisional Agreement, 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 50,316,589 Shares (i.e. approximately 19.71% 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 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 resolutions approving the Conditional Provisional Agreement, 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

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## LETTER FROM THE BOARD

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(being China Clean Energy), none of the Shareholders has any material interest in the Conditional Provisional Agreement, the Deed of Assignment and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions to be proposed 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 Conditional Provisional Agreement and the Deed of Assignment) believe that the Acquisition, the Conditional Provisional Agreement, 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. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

### 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**  
**Wang Qian**  
*Chairlady*



**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 TRANSACTIONS IN RELATION TO**  
**(1) THE ACQUISITION OF PROPERTY AND**  
**(2) THE ASSIGNMENT OF RECEIVABLES**

We refer to the circular issued by the Company to the Shareholders dated 25 February 2025 (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 Acquisition, the Conditional Provisional Agreement, the Assignment and the Deed of 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 17 and pages 20 to 41 of the Circular, respectively.

**RECOMMENDATIONS**

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 Conditional Provisional Agreement and the Deed of Assignment and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition and the Assignment are not conducted in the ordinary and usual course of business of the Group, each of them is in the interests of the Company and the Shareholders as a whole.

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions approving the Conditional Provisional Agreement, the Deed of Assignment and the transactions contemplated thereunder 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*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*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 Conditional Provisional agreement, the Deed of Assignment and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in the Circular.*



21st Floor, No. 88 Lockhart Road  
Wan Chai, Hong Kong

25 February 2025

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

Dear Sirs,

### **MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO (1) THE ACQUISITION OF PROPERTY AND (2) THE 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 Conditional Provisional Agreement, 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 25 February 2025 (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.

On 23 December 2024 (after trading hours), the Purchaser as the purchaser and Mr. Lai as the seller entered into the Conditional Provisional Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the Property.

The Conditional Provisional Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Conditional Provisional Agreement shall have binding effect on the parties, and shall remain in full force and effect unless and until replaced by the Formal Agreement.

On 23 December 2024 (after trading hours), the Company as the assignor and Mr. Lai as the assignee entered into the Deed of Assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables at a consideration of HK\$23,391,264. Upon the Completion of the Deed of Assignment, Mr. Lai will be entitled to all the rights, title and interests to and in the Receivables.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 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.

In the past two years, we have not acted in any financial adviser role to the Company but we have acted as an independent financial adviser to the independent board committee and independent shareholders of the Company in connection with a major and connected transaction in relation to assignment of receivables, the details of which are set out in the Company's circular dated 17 July 2024 (the "**Previous Appointment**"). Save for the current engagement as the Independent Financial Adviser and the Previous Appointment, 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 interim report for the six months ended 30 June 2024 (the "**2024 Interim 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,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 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) property investment, management and agency; (ii) securities trading and investment; (iii) provision of financing services; (iv) securities brokerage business; (v) hotel operation and ancillary business; and (vi) asset management. Certain summary financial information of the Group as extracted from the 2024 Interim Report for the six months ended 30 June 2024 is set out below:

	For the six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue	23,598	28,897
Gross profit	14,729	11,251
Profit/(Loss) for the period attributable to owners of the Company	13,089	(59,810)

The Group's revenue decreased from approximately HK\$28.9 million for the six months ended 30 June 2023 to approximately HK\$23.6 million for the six months ended 30 June 2024, representing a decrease of approximately HK\$5.3 million or 18.3%. Such decrease was mainly attributable to (i) the decrease in revenue from high technology business of approximately HK\$17.5 million; and (ii) the decrease in revenue from the provision of financing services of approximately HK\$2.1 million, and partially offset by (i) the increase in revenue from hotel operation and ancillary business of approximately HK\$10.2 million; and (ii) the increase in revenue from property investment, management and agency of approximately HK\$5.5 million. In view of the overall highly competitive, challenging and uncertain business environment of the high technology business segment and outlook, the Group currently ceased its operation in high technology business and devote the Group's resources to other business.

The Group's gross profit increased from approximately HK\$11.3 million for six months ended 30 June 2023 to approximately HK\$14.7 million for the six months ended 30 June 2024, representing an increase of approximately HK\$3.4 million or 30.1%. The Group's gross profit margin increased from approximately 39.0% for the six months ended

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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30 June 2023 to approximately 62.4% for the six months ended 30 June 2024. The increase in the Group's gross profit and the gross profit margin was mainly attributable to the new business following (i) the successful acquisitions of two hotel operating companies and expanded its market presence in hotel operation and ancillary business and (ii) acquisitions of Shanxi Mei Lian Hang Property Management Co., Ltd. and its subsidiaries and expanded its property investment portfolio across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai.

The Group recorded a profit for the period attributable to owners of the Company of approximately HK\$13.1 million for the six months ended 30 June 2024, representing a turnaround from a loss for the period attributable to owners of the Company of approximately HK\$59.8 million. Such turnaround was mainly due to the fair value gain of financial assets at fair value through profit or loss of approximately HK\$15.1 million for the six months ended 30 June 2024 as compared to the fair value loss of financial assets at fair value through profit or loss of approximately HK\$39.9 million for the six months ended 30 June 2023.

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 2024 Interim Report.

	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Cash and bank balances	135,217	81,721
Current assets	528,765	410,486
Net current assets/(liabilities)	(44,821)	28,138
Total assets	1,386,877	1,225,921
Current liabilities	573,586	382,348
Total liabilities	573,762	424,856
Equity attributable to the owners of the Company	808,956	801,065

The Group's cash and bank balances amounted to approximately HK\$135.2 million as at 30 June 2024, representing an increase of approximately HK\$53.5 million or 65.5%, as compared to that of approximately HK\$81.7 million as at 31 December 2023. The Group recorded net current liabilities of approximately HK\$44.8 million as at 30 June 2024,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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representing a turnaround as compared to the net current assets of approximately HK\$28.1 million as at 31 December 2023. Such turnaround was mainly attributable to the (i) increase in trade payables, accruals and other payables of approximately HK\$131.9 million; (ii) the increase in bond payables of approximately HK\$42.2 million; (iii) the increase in loan from a director of approximately HK\$21.5 million; (iv) the decrease in loan and interest receivables of approximately HK\$43.1 million, and partially offset by (i) the increase in amount due from a director of approximately HK\$65.7 million; (ii) the increase in cash and bank balances of approximately HK\$53.5 million; and (iii) the increase in financial assets at fair value through profit or loss of approximately HK\$15.1 million.

The Group's total liabilities increased by approximately HK\$148.9 million or 35.0%, from approximately HK\$424.9 million as at 31 December 2023 to approximately HK\$573.8 million as at 30 June 2024. Such increase was mainly attributable to the aforementioned factors related to the increase in current liabilities. As per the 2024 Interim Report, the Group recorded total borrowings of approximately HK\$360.4 million as at 30 June 2024, which comprised of (i) bank borrowings of approximately HK\$272.2 million; and (ii) other borrowings of approximately HK\$88.2 million as at 30 June 2024.

The Group's equity attributable to the owners of the Company remained relatively stable at approximately HK\$809.0 million and HK\$801.1 million as at 30 June 2024 and 31 December 2023, respectively.

### **2. Information on the parties**

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) property investment, management and agency; (ii) securities trading and investment; (iii) provision of financing services; (iv) securities brokerage business; (v) hotel operation and ancillary business; and (vi) asset management.

Mr. Lai is an executive Director since 10 November 2023. Mr. Lai has extensive experience in the fields of accounting, finance and investment.

### **3. The Acquisition**

On 23 December 2024 (after trading hours), the Purchaser as the purchaser and Mr. Lai as the seller entered into the Conditional Provisional Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the Property.

#### **3.1 The Conditional Provisional Agreement**

The Conditional Provisional Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Conditional Provisional Agreement shall have binding effect on the parties, and shall remain in full force and effect unless and until replaced by the Formal Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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A summary of the principal terms of the Conditional Provisional Agreement is set out below:

<b>Date</b>	23 December 2024 (after trading hours)
<b>Parties</b>	(1) the Purchaser (as the purchaser); and  (2) Mr. Lai (as the seller)
<b>Property</b>	Flat B, 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong and including thereto all the fixture and fittings.  The Property is sold on an “as is” basis subject to the existing tenancy agreement.
<b>Consideration and payment terms</b>	The consideration for the Acquisition of HK\$88,000,000 shall be payable by the Purchaser to Mr. Lai in the following manner:  (i) HK\$8,800,000 (representing 10% of the consideration) shall be paid in cash by the Company upon the signing of the Conditional Provisional Agreement; and  (ii) the balance of HK\$79,200,000 (representing 90% of the consideration) shall be payable in cash by the Purchaser at the Completion of the Acquisition.  It is estimated that the total cost of the Acquisition together with the transaction costs such as stamp duty and professional fees will be approximately HK\$4,300,000.
<b>Formal Agreement</b>	The Purchaser and Mr. Lai shall enter into the Formal Agreement on or before 31 March 2025.  There will be no material variance of the condition and other terms with those to be incorporated in the Formal Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Conditions precedent**

The Completion of the Acquisition is conditional upon the following conditions being fulfilled:

- (1) all necessary approvals required under the Listing Rules in connection with the transactions under the Conditional Provisional Agreement (including the passing of necessary resolutions by the Shareholders at the EGM) have been obtained; and
- (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 Conditional Provisional Agreement to the Completion of the Acquisition.

The parties may waive the second condition precedent above by written notice to the other party. If the conditions set out above have not been fulfilled or waived on or before 30 June 2025, or such later date as the Vendor and the Purchaser may agree in writing, subject to the refund of deposit to the Purchaser, the Conditional Provisional Agreement and/or the Formal Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

As at the Latest Practicable Date, condition precedent (1) had not been fulfilled, and condition precedent (2) 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.

### **Completion**

Subject to fulfillment or waiver of the above conditions precedent, the Completion of the Acquisition shall take place on or before 30 June 2025, unless otherwise agreed by the parties.

Mr. Lai shall deliver the Property to the Purchaser upon completion. Upon completion, the Purchaser will become the legal and beneficial owner and have all rights, title and interests to and in the Property.

### **3.2 Information on the Property**

The Property is situated at Flat B, 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong. It is a residential unit with a gross floor area of approximately 2,593 sq. ft. The Property is currently leased out to an Independent Third Party at HK\$100,000 per month for a term up to 31 December 2025.

The original acquisition cost of the Property by Mr. Lai was HK\$100,000,000. The valuation of the Property was approximately HK\$88,000,000 as at 30 November 2024, which was valued based on a market approach by Masterpiece Valuation Advisory Limited, an independent property valuer. For further details, please refer to Appendix IV of the Circular for the Valuation Report.

### **3.3 Basis of Determination of Consideration**

The consideration for the Acquisition of HK\$88,000,000 was determined after arm's length negotiations between the Company and Mr. Lai after considering the valuation of the Property of approximately HK\$88,000,000 as at 30 November 2024.

### **3.4 Our work performed in relation to the appraised value of the Property**

The Consideration for the Acquisition is HK\$88.0 million, which was determined after arm's length negotiation between the Company and Mr. Lai after considering the value appraised by Masterpiece Valuation Advisory Limited, an independent valuer (the "**Independent Valuer**") in the amount of HK\$88.0 million (the "**Appraised Value**") as at 30 November 2024. To assess the fairness and reasonableness of the valuation, we have reviewed the Valuation Report and discussed with the Independent Valuer in relation to (i) the methodologies, basis and assumptions used in performing the valuation on the Property; (ii) their scope of work for conducting the valuation on the Property; and (iii) their relevant professional qualifications as a property valuer.

#### ***Independence, qualification and scope of work of the Independent Valuer***

We have reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the Valuation Report, and noted that the Independent Valuer is a firm specialised in the provision of valuation services for its clients engaging in different industries for various purposes. The Valuer is a provider of appraisals for various assets and businesses, and has extensive experience in providing valuation and advisory services to companies listed in Hong Kong and the United States. Based on the information provided by the Independent Valuer, the responsible person in charge of the Valuation Report, namely Mr. Oswald W Y Au, a member of the Hong Kong Institute of Surveyors (General Practice), an Associate Member of the Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with the Surveyors Registration Board with over 20 years' experience in financial valuation and property valuation in Hong Kong, the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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PRC, the U.S. and the Asia Pacific region respectively. we have also obtained relevant qualifications and credentials of the team members involved in this valuation of the Property.

Per the discussion with and confirmation made by the Independent Valuer, we understand that (i) the Independent Valuer had no concern on the accuracy and completeness of information the Valuer relied upon throughout the valuation process; and (ii) the Independent Valuer had no concern on the reasonableness of any representation made by the Management or any other party to the Valuer.

We have also reviewed the Valuer's terms of engagement with the Company in relation to the Valuation Report and in particular, the scope of work, and noted that it is appropriate to the opinion required to be given and there is no limitation on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Valuation Report.

We enquired on the Independent Valuer whether they have any current or prior relationships with the Company, Mr. Lai, and core connected persons of either the Company or Mr. Lai and noted that save for the current engagement and valuation engagement for the Company's annual audit, no other relationship exists.

We discussed with the Independent Valuer on (i) the valuation approach adopted; (ii) the criteria in selecting the comparable transactions, including location, property type and usage and transaction date; and (iii) the sources of comparable rental transactions.

### *Valuation approach*

We noted that the Valuation Report has been prepared in accordance with all the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules, the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards (the "IVS") published from time to time by the International Valuation Standards Council.

According to the Valuation Report, the valuation is carried out on a market value basis, which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" according to the HKIS Valuation Standards 2020 and the IVS. In this regard, we noted that the Conditional Provisional Agreement is entered into by the parties thereto on normal commercial terms following arm's length negotiations. We are therefore of the view that the basis adopted by the Independent Valuer is fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Further, the valuation has been made on the assumptions that (i) the valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes; (ii) no allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale; (iii) the transferable land use rights in respect of the property interests at nominal land use fees have been granted and that any premium payable has already been fully settled; and (iv) the respective title owner of the properties has an enforceable title of the property interests and has free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted.

In arriving at the Appraised Value, we noted that the Independent Valuer has adopted the market approach (the “**Market Approach**”) as the valuation approach, which involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. We understand from the Independent Valuer that the Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. We noted that the Independent Valuer has selected four transaction comparables are (i) high-rise residential units; (ii) located in close proximity (i.e. all are located in Happy Valley, Hong Kong); (iii) that the saleable areas are larger than 2,000 sq.ft.; and (iv) have been transacted during the period within 3 years prior to the valuation date; and (v) the ages of the comparable reference buildings range from 1990 to 2000, with the exception of the building that underwent rehabilitation.

In order to assess the fairness and representative of the transaction comparables, we have obtained and reviewed the list of transaction comparables and discussed with the Independent Valuer on the selection criteria of such four transaction comparables. We are given to understand that the transaction comparables were selected by the Independent Valuer based on their respective locality, size, usage and condition which share the most similarities with the Property. In particular, two of the transaction comparables are located on the same building as the Property that have saleable areas are larger than 2,000 sq.ft and have been transacted during the period within 3 years prior to the valuation date, while the remaining two of the transaction comparables are high-rise residential properties located in Happy Valley, Hong Kong which (i) have saleable areas are larger than 2,000 sq.ft; (ii) have been transacted during the period within 3 years prior to the valuation date and (iii) built before 1990 but, according to property news in public domain, underwent rehabilitation in 2011.

We further understand that appropriate adjustments and analysis have been considered and made by the Independent Valuer taking into account factors such as differences in age of the property, view, area, floor, building condition and transaction

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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time between the transaction comparables and the Property, to arrive at an assumed unit rate. In order to assess the fairness and representative of the adjustments applied to the transaction comparables, we have discussed with the Independent Valuer and understand that the general basis of adjustments of such attributes is that (i) if the transaction comparable is superior to the Property, a downward adjustment would be made to adjust down the unit rate of that transaction comparable; or (ii) if the transaction comparable is inferior to the Property, an upward adjustment would be made to adjust up the unit rate of that transaction comparable. We have also requested and obtained the underlying workings and reviewed the detailed calculations of the adjustments made by the Independent Valuer to the unit rates of the transaction comparables and consider the adjustments to be logical and able to reflect different attributes between the Property and the transaction comparables.

The Independent Valuer advised that they had not, and considered it is not necessary, to perform secondary valuation method for cross checking, as there are sufficient market comparables for the Property.

Based on the above, we are of view that (i) the transaction comparables chosen are appropriate and fulfill the Valuer's selection criteria, and (ii) the adjustments made are appropriate and relevant for providing a fair and reasonable basis for the Independent Valuer's opinion.

### *Our view*

With regards to the Valuation Report, we have complied with the requirements under note 1(d) to Rule 13.80 of the Listing Rules and paragraph 5.3 of the Corporate Finance Adviser Code of Conduct by performing, including but not limited to, the following works: (i) discussed with the Valuer regarding the methodology applied and principal basis and assumptions adopted in the Valuation Report; (ii) assessed the experience and expertise of the person responsible for the Valuation Report, namely Mr. Oswald W Y Au, and the Independent Valuer's recent valuation assignments; (iii) enquired on any current or prior relationships with the Company and core connected persons of either the Company or Mr. Lai and noted that save for the current engagement and valuation engagement for the Company's annual audit, no other relationship exists; and (iv) reviewed the terms of engagement in respect of the Valuation Report.

Having considered that (i) the Independent Valuer has the relevant qualification, competence and experience to prepare the Valuation Report; (ii) the Independent Valuer's scope of work is appropriate for performing the valuation on the Property; and (iii) the valuation methodologies, basis and assumptions for valuing the Property are fair and reasonable, we are of the view that the Appraised Value is an appropriate reference point to assess the fair and reasonableness of the consideration for the Acquisition.

### **3.5 Reasons for and benefits of the Acquisition**

As stated in the Board Letter, the Group currently holds two residential properties in Hong Kong and various residential and commercial properties in the PRC. 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 Property is located in Happy Valley, one of the upper-income residential neighbourhood in Hong Kong known for the desirable living conditions. The Directors considered that given the recent decline in Hong Kong property price coupled with the ongoing market demand for rental homes, the Acquisition is a good investment opportunity with the potential for a reasonably attractive return for the Company. The Directors are also optimistic to the long-term prospects of the Hong Kong property market, anticipating capital appreciation in the value of the property over time.

In view of the above, the Directors are of the view that the Conditional Provisional Agreement 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.

## **4. The Assignment**

On 23 December 2024 (after trading hours), the Company as the assignor and Mr. Lai as the assignee entered into the Deed of Assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables at a consideration of HK\$23,391,264. Upon completion of the Deed of Assignment, Mr. Lai will be entitled to all the rights, title and interests to and in the Receivables.

### **4.1 Background**

#### *The Receivables from Ms. Lee*

On 9 April 2021, Globally Finance as the lender and Ms. Lee as the borrower entered into a loan facility letter, pursuant to which Globally Finance agreed to provide a loan in the principal amount of HK\$4,000,000 with an interest rate of 5% per annum for a term of three years. The loan from Ms. Lee fell due on 1 June 2024. According to the repayment schedule agreed with Ms. Lee, the loan and interest receivables from Ms. Lee will be settled by December 2024. On 23 December 2024, Globally Finance assigned the loans from Ms. Lee to the Company at its gross amount. As at the date of the Deed of Assignment, the outstanding loan and interest receivables from Ms. Lee amounted to HK\$4,500,274.

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### *The Receivables from Mr. You*

On 21 September 2022 and 20 October 2022, Globally Finance as the lender and Mr. You as the borrower entered into two loan facility letters, pursuant to which Globally Finance agreed to provide two loans in the principal amount of HK\$3,000,000 and HK\$6,500,000, respectively, both with an interest rate of 7.5% per annum for a term of two years. The loans from Mr. You fell due on 20 September 2024 and 19 October 2024, respectively. On 23 December 2024, Globally Finance assigned the loans from Mr. You to the Company at its gross amount. As at the date of the Deed of Assignment, the total outstanding loan and interest receivables from Mr. You amounted to HK\$9,071,043.

### *The Receivables from YuLong*

On 3 March 2023, the Company as the subscriber and YuLong as the issuer entered into a note instrument, pursuant to which the Company agreed to subscribe from YuLong a short-term note (the “**YuLong Note**”) in the principal amount of HK\$7,800,000 with an interest rate of 5.5% per annum calculated at 2 March 2024 on the basis of 365 days per annum, payable to the Company on 2 March 2024. The YuLong Note matured on 2 March 2024. As at the date of the Deed of Assignment, the outstanding note receivables (inclusive of interest and default interest) from YuLong amounted to HK\$7,534,804.

### *The Receivables from YL Asia Pacific*

On 9 March 2023, the Company as the subscriber and YL Asia Pacific as the issuer entered into a note instrument, pursuant to which the Company agreed to subscribe from YL Asia Pacific a short-term note (the “**YL Asia Pacific Note**”) in the principal amount of HK\$5,000,000 with an interest rate of 5.5% per annum calculated at 8 March 2024 on the basis of 365 days per annum, payable to the Company on 8 March 2024. The YL Asia Pacific Note matured on 8 March 2024. As at the date of the Deed of Assignment, the outstanding note receivables (inclusive of interest and default interest) from YL Asia Pacific amounted to HK\$2,285,143.

### *The March 2024 Assignment*

The March 2024 Assignment was completed on 5 August 2024. As at the date of the Deed of Assignment, Mr. Lai has not paid the consideration for the March 2024 Assignment of HK\$65,745,700 to the Company.

### *The Acquisition of the Property*

On 23 December 2024, the Company as the purchaser and Mr. Lai as the seller entered into the Conditional Provisional Agreement, pursuant to which the Company has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the

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Property at a consideration of HK\$88,000,000. For details of the Acquisition, please refer to the section 3 in this letter.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the ultimate beneficial owners of YuLong and YL Asia Pacific were and are Ms. Su Shijin and Ms. Lui Ting Ting, respectively, at the material time and as at the Latest Practicable Date, and (ii) each of Ms. Lee, Mr. You, YuLong and YL Asia Pacific and their ultimate beneficial owner was and is an independent third party to the Company and its connected person(s) at the material time and as at the Latest Practicable Date.

### 4.2 The Deed of Assignment

**Date** 23 December 2024 (after trading hours)

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

#### *Subject matter*

The Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the Receivables at a consideration of HK\$23,391,264.

#### *Considerations and payment terms*

The consideration of HK\$23,391,264 for the Assignment was determined after arm's length negotiations between the Company and Mr. Lai after considering the gross amount of the Receivables of HK\$23,391,264 as at the date of the Deed of Assignment.

The consideration of HK\$23,391,264 for the Assignment, together with the consideration for the March 2024 Assignment of HK\$65,745,700, shall be offset against the consideration for the Acquisition of HK\$88,000,000. Upon the Completion of the Acquisition and the Completion of the Assignment, the net amount payable by Mr. Lai to the Company shall therefore be HK\$1,136,964 (the "**Net Payable**").

Mr. Lai shall pay the Net Payable to the Company and/or its designated third party(ies) through telegraphic transfer to the bank account designated by the Company and/or its designated third party(ies) within 180 Business Days following the date of the Deed of Assignment.

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### *Conditions precedent*

Pursuant to the Deed of Assignment, the Completion of the Assignment is conditional upon:

- (1) the Completion of the Acquisition;
- (2) 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;
- (3) 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 of the Assignment; and
- (4) no event of default (as defined below) shall have occurred.

The parties may waive the third and fourth conditions precedent above by written notice to the other party. If the conditions set out above have not been fulfilled or waived on or before 30 June 2025, or such later date as the Vendor and the Purchaser may agree in writing, the Deed of Assignment shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

As at the Latest Practicable Date, conditions precedent (1) and (2) had not been fulfilled, and conditions precedent (3) and (4) 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.

### *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 Net Payable in full within 180 Business Days following the date of the Deed of Assignment;

(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

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

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

### **4.3 Reasons for and Benefits of the Assignment**

As stated in the Board Letter, each of the Receivables has been overdue. Mr. Lai, an executive Director and a substantial Shareholder, has agreed to take assignment of the rights, titles and benefits of the Receivables at their gross amount of HK\$23,391,264 as at the date of the Deed of Assignment. The Assignment represents a simple yet effective way to reduce the Group's inherent risk of non-recoverability associated with the Receivables and enable the Group to save time and resources that would otherwise be utilised for collecting and recovering the Receivables. The net assets of the Group are expected to be increased by approximately HK\$5.7 million as a result of the increase in amount due from a director of HK\$22.6 million, which was partially offset by the decrease in loan and interest receivables of HK\$16.9 million. The gain of HK\$5.7 million represents a reversal of credit loss allowances related to the Receivables. For further details, please refer to the unaudited pro forma financial information of the Group as set out in Appendix III to the Circular.

Furthermore, as at the Latest Practicable Date, the Group has an outstanding amount payable to Mr. Lai of HK\$8,800,000 (being the first instalment of the consideration of the Acquisition). Following the Completion of the Acquisition, the amount payable to Mr. Lai will increase to HK\$88,000,000. The Directors considered that it is in the interest of the Group to proceed with the Assignment, as it allows the Group to set-off the amounts owed to Mr. Lai without the need of substantial cash outflow. As such, the Group can maintain liquidity while fulfilling its payment obligations in full to Mr. Lai. In the event that the Assignment is not completed, the consideration of the Acquisition will be offset by the outstanding receivables of HK\$65,745,700 from Mr. Lai for the March 2024 Assignment and the remaining amount of HK\$22,254,300 will be satisfied by internal resources of the Group.

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In view of the above, the Director are of the view 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.

#### **4.4 Our analysis and assessment on the principal terms of the Deed of Assignment**

With a view to assessing the fairness and reasonableness of the terms of the Deed of Assignment, we have carried out the following analysis and considered factors as set out below.

##### *The consideration for the Assignment*

The consideration of HK\$23,391,264 for the Assignment was determined after arm's length negotiations between the Company and Mr. Lai after considering the gross amount of the Receivables of HK\$23,391,264 (being collectively, (i) the outstanding amount of HK\$4,500,274 due and payable by Ms. Lee; (ii) the outstanding amount of HK\$9,071,043 due and payable by Mr. You; (iii) the outstanding amount of HK\$7,534,804 due and payable by YuLong; and (iv) the outstanding amount of HK\$2,285,143 due and payable by YL Asia Pacific) as at the date of the Deed of Assignment. Thus, the consideration for the Assignment amounts to exactly the face value (instead of the carrying amount after deducting the credit loss allowance) of the Receivables as at the date of the Deed of Assignment without any discount offered to Mr. Lai.

As discussed with the Management, we are given to understand, and we concur, that the Assignment is effectively and in substance Mr. Lai's effort in taking up the Group's long overdue and/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. Lee, Mr. You, YuLong and/or YL Asia Pacific.

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

As advised by the Management, certain measures were taken to recover the overdue Receivables, where applicable, and we have requested and obtained from the Management and reviewed the relevant supporting documents.

In relation to the Receivables from Ms. Lee, the loan from her fell due on 1 June 2024. According to the repayment schedule agreed upon with Ms. Lee, both the loan and interest receivables are to be settled by December 2024. On 30 November 2024, Globally Finance issued a demand letter to Ms. Lee, requiring the settlement of the outstanding amount along with the accrued interest. However, as at the Latest Practicable Date, there has been no response to the demand letter, nor has Ms. Lee fulfilled her repayment obligations.

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In relation to the Receivables from Mr. You, the loans from him fell due on 20 September 2024 and 19 October 2024, respectively. On 30 November 2024, Globally Finance issued a demand letter to Mr. You, requiring the settlement of the outstanding amount along with the accrued interest. However, as at the Latest Practicable Date, there has been no response to the demand letter, nor has Mr. You fulfilled his repayment obligations.

In relation to the Receivables from YuLong, the YuLong Note matured on 2 March 2024. On 6 December 2024, the Company issued a form of redemption notice to YuLong, exercising its right to have the YuLong Note redeemed at the principal amount together with the corresponding interest payable to the Company. However, as at the Latest Practicable Date, there has been no response to the form of redemption notice, nor has YuLong fulfilled its obligations.

In relation to the Receivables from YL Asia Pacific, the YL Asia Pacific Note matured on 8 March 2024. On 6 December 2024, the Company issued a form of redemption notice to YL Asia Pacific, exercising its right to have the YL Asia Pacific Note redeemed at the principal amount together with the corresponding interest payable to the Company. However, as at the Latest Practicable Date, there has been no response to the form of redemption notice, nor has YL Asia Pacific fulfilled its obligations.

Based on our discussion with the Management, each of Ms. Lee, Mr. You, YuLong and YL Asia Pacific did not formulate any concrete repayment schedules to commit the settlement of the outstanding loans, and there are uncertainties on whether Ms. Lee, Mr. You, YuLong and/or YL Asia Pacific 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. Lee, Mr. You, YuLong and/or YL Asia Pacific to enforce the respective loan agreements and/or note instruments, 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 and/or note instruments. 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. Lee, Mr. You, YuLong and/or YL Asia Pacific.

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### *Summary*

Having considered (i) the actions already taken by the Group to recover the Receivables, to be discussed in section headed “4.4 Our analysis and assessment on the principal terms of the Deed of Assignment – The Group’s action(s) taken to collect the Receivables” of this letter; (ii) based on our discussion with the Management, each of Ms. Lee, Mr. You, YuLong and YL Asia Pacific did not formulate any concrete repayment schedules to commit the settlement of the outstanding loans, and there are uncertainties on whether Ms. Lee, Mr. You, YuLong and YL Asia Pacific would be capable of repaying the outstanding loan amounts; (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. Lee, Mr. You, YuLong and YL Asia Pacific; (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; and (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, we consider the Assignment is acceptable, fair and reasonable.

Also, we have obtained from the Management and reviewed the Deed of Assignment, and we understand that the consideration for the Assignment, together with the March 2024 Assignment, shall be offset against the consideration for the Acquisition. Upon the Completion of the Acquisition and the Completion of the Assignment, the net amount payable by Mr. Lai to the Company shall therefore be HK\$1,136,964 (the “**Net Payable**”). Mr. Lai shall pay the Net Payable to the Company and/or its designated third party(ies) through telegraphic transfer to the bank account designated by the Company and/or its designated third party(ies) within 180 Business Days following the date of the Deed of Assignment.

In light of (i) the Assignment provides a one-off solution to the Group to recover the outstanding amounts; (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 amount of the Receivables owed by the relevant debtors; and (iv) it is not an uncommon market practice for a listed issuer to accept or use non-cash asset(s) as a mean to settle outstanding payment(s) due from/to another party, 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 and are in the interests of the Company and the Shareholders as a whole.

**5. Financial effect of the Acquisition and the Assignment**

*Effect on revenue and earnings*

As set out in section 3 of this letter, the Property is sold to the Purchaser on an “as is” basis subject to the existing tenancy agreement. The Property is currently leased out to an Independent Third Party at HK\$100,000 per month for a term up to 31 December 2025. Upon the Completion of the Acquisition, the Company enjoys rental income from the Property which has a positive effect on the earnings of the Company. Following Completion, the Property is treated as investment property of the Group and is subject to revaluation for annual reporting purpose. The revaluation gain or loss, if any, will have effect on the Group’s annual earnings. On the other hand, upon the Completion of the Assignment, it is expected that a gain of approximately HK\$5.7 million will be recorded as a result of a reversal of credit loss allowances related to the Receivables.

*Effect on assets and liabilities*

As set out in the “Unaudited Pro Forma Financial Information of The Group” in Appendix III to the Circular, upon the Completion of the Acquisition and the Completion of the Assignment, the total assets of the Group are expected to be increased by approximately HK\$10.1 million as a result of (i) the increase in investment properties of the Group by approximately HK\$92.4 million; (ii) the decrease of loan and interest receivables of the Group by approximately HK\$16.9 million; and (iii) the decrease in amount due from a director by approximately HK\$65.4 million. The total liabilities of the Group are expected to be increased by approximately HK\$4.4 million due to the increase in other costs such as stamp duty and legal fee.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Acquisition.

**6. Conclusion**

Having considered the above principal factors and in particular:

- (i) the reasons for and benefits of the Acquisition as discussed in section 3.5 of this letter;
- (ii) the Appraised Value is an appropriate reference point to assess the fair and reasonableness of the consideration for the Acquisition and our work performed thereunder as discussed in section 3.4 of this letter;

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- (iii) the reasons for and benefits of the Assignment as discussed in section 4.3 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. Lee, Mr. You, YuLong and YL Asia Pacific, as discussed in section 4.4 of this letter;
- (v) the consideration for the Assignment 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 4.4 of this letter; and
- (vi) the actions already taken by the Group to recover the outstanding Receivables (where applicable), as discussed in section 4.4 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 are, although not in the ordinary and usual course of business, 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 SUMMARY

Financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2024 respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.fw-holdings.com](http://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>
- (iv) interim report of the Company for the six months ended 30 June 2024 published on 19 September 2024 (pages 21 to 57):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900755.pdf>

## 2. INDEBTEDNESS

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

	<b>As at 31 December 2024</b> <i>HK\$'000</i> (unaudited)
Bank borrowings <sup>(Note a)</sup>	217,368
Other borrowings <sup>(Note b)</sup>	297,772
Lease liabilities <sup>(Note c)</sup>	22,529
Bond payable <sup>(Note d)</sup>	44,857
Promissory note <sup>(Note e)</sup>	13,887
Loans from a director <sup>(Note f)</sup>	63,563
	<hr/>
	<b>659,976</b> <hr/> <hr/>

*Notes:*

- (a) As at 31 December 2024, the bank borrowings are secured by the investment properties of the Group with a net carrying amount of approximately HK\$564,000,000 (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 December 2024, part of the other borrowings amounting to approximately HK\$85,879,000 (unaudited) are secured by the pledges of financial assets at fair value through other comprehensive income of approximately HK\$9,910,000 (unaudited), financial assets at fair value through profit or loss of approximately HK\$11,291,000 (unaudited) and an investment property of the Group with a net carrying amount of HK\$252,000,000 (unaudited), of which HK\$689,000 (unaudited) bear fixed interest rate of 8% per annum, HK\$34,906,000 (unaudited) bear interest rate at 2% below HKD prime rate and HK\$50,284,000 (unaudited) is interest free.

The remaining balance of other borrowings amounting to RMB199,109,000 (unaudited) (equivalent to approximately HK\$211,893,000 (unaudited)) which are unsecured and bear fixed interest rate ranging from 3.95% to 4% per annum are loans from directors of subsidiaries of the Group of RMB56,910,000 (unaudited) (equivalent to approximately HK\$60,565,000 (unaudited)) and certain individual third parties of RMB142,199,000 (unaudited) (equivalent to approximately HK\$151,328,000 (unaudited)).

- (c) The Group entered into several lease agreements for leasing of office, hotel, and shopping centre premises located in Hong Kong and PRC, which are recognised right-of-use assets and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$22,529,000 (unaudited) as at 31 December 2024, which were classified as to approximately HK\$2,704,000 (unaudited) as current liabilities and approximately HK\$19,825,000 (unaudited) as non-current liabilities. The interest rate of the lease liabilities ranging from 7.60% to 10.11% per annum.
- (d) The Group issued a bond at principal amount of HK\$42,200,000 (unaudited) 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. On 27 December 2024, the Group has further extended the maturity date to 4 April 2025 with interest rate remain the same.

The net carrying amount of approximately HK\$44,857,000 (unaudited) was classified as current liabilities as at 31 December 2024.

- (e) The Group issued a promissory note for the settlement of part of the consideration for the acquisition of companies. The promissory note with maturity date on 31 July 2027 which bears a fixed interest at 5% per annum payable annually in arrears with a net carrying amount of approximately HK\$13,887,000 (unaudited), which were classified as to approximately HK\$287,000 (unaudited) as current liabilities and approximately HK\$13,600,000 (unaudited) as non-current liabilities as at 31 December 2024.
- (f) The Group had loans from a director which are interest free and unsecured amounting to approximately HK\$63,563,000 (unaudited) as at 31 December 2024 which were classified as to approximately HK\$21,284,000 (unaudited) as current liabilities and approximately HK\$42,279,000 (unaudited) as non-current liabilities as at 31 December 2024.

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 December 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 activity of the Company is investment holding. Its subsidiaries are principally engaged in (i) property investment, management and agency; (ii) securities trading and investment; (iii) provision of financing services; (iv) securities brokerage business; (v) hotel operation and ancillary business; and (vi) asset management.

For the six months ended 30 June 2024, the Group recorded a revenue of approximately HK\$23.6 million and a net profit of approximately HK\$13.1 million attributable to the owners of the Company. In 2024, the Group strategically expanded and diversified its business operations, particularly in terms of (i) hotel operation and ancillary business, (ii) property investment, management and agency, and (iii) securities trading and investment.

In July 2024, two hotels of the Group, namely Ronghuitong Junting Hotel\* (融匯通君亭酒店) and Hampton by Hilton Changzhi Luzhou\* (長治潞州希爾頓歡朋酒店), commenced business with a soft opening. Additionally, in July 2024, the Group completed the acquisition of Elite Holdings International Limited and its subsidiaries (the “**Elite Holdings Group**”), which owned the building of Hampton by Hilton Changzhi Luzhou. The Group has strategically enhanced its presence in hotel operation and ancillary business and diversified its revenue source by operating 4 to 5-star hotels in the PRC, and it is anticipated that the Group will continue to explore suitable business opportunities to expand its hotel management and operation business.

Furthermore, the Group enhanced its service offerings in property management through the completion of the acquisition of (i) Shanxi Mei Lian Hang Property Management Co., Ltd.\* (山西美聯行物業管理有限公司) and its subsidiary Shanghai Zhi Ying Property Management Co., Ltd.\* (上海知盈物業管理有限公司) (the “**MLH Group**”) and (ii) Shenzhen Meilianhang Property Management Co., Ltd.\* (深圳美鏈行物業管理有限公司) (“**Meilianhang Property**”) in May 2024 and November 2024, respectively. The MLH Group and Meilianhang Property own various properties across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province, Shanghai and Guangdong Province. A majority of the properties held by the MLH Group and Meilianhang Property are currently leased out and generating rental

income as at the Latest Practicable Date. It is expected that the Group can generate stable rental income through the diversification of the property investment portfolio and may benefit from the long-term potential appreciation of the properties.

In January 2025, the Group completed the acquisition of a company licensed to carry out Type 9 (Asset Management) regulated activities under the SFO. It is anticipated that the Group may leverage the synergies between the asset management company and the Group's existing securities financial services business conducted through its wholly-owned subsidiary, Future World Securities Investment Limited, a company licensed to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the SFO, and to evolve into a comprehensive financial services provider in Hong Kong.

For the acquisition of Elite Holdings Group, the consideration will be satisfied by issue of new shares of the Company. For further details, please refer to the announcement of the Company dated 15 January 2025. Save as disclosed, it is expected that the consideration of each of the aforementioned material acquisitions will be satisfied by internal resources of the Group.

## **6. MATERIAL ACQUISITIONS AFTER THE DATE OF THE LATEST PUBLISHED AUDITED ACCOUNTS OF THE GROUP**

Since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up, the Company has made the following acquisitions whose profits or assets make or will make a material contribution to the figures in the next published financial statements of the Company for the year ending 31 December 2024.

In March 2024, the Group completed the acquisitions of the entire equity interests in two hotel operating companies, 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) at an aggregate consideration of RMB17,900,001. The principal activities of these two companies are hotel operation and ancillary business in the PRC. For details, please refer to the announcement of the Company dated 29 December 2023.

In May 2024, the Group completed the acquisition of the MLH Group at an aggregate consideration of RMB7,300,000. The MLH Group is principally engaged in real estate and property services in the PRC. For details, please refer to the announcements of the Company dated 18 March 2024 and 17 April 2024.

In July 2024, the Group completed the acquisition of Elite Holdings International Limited (“**Elite Holdings**”) and its subsidiaries at a consideration of RMB1,774,700. Elite Holdings is an investment holding company which owned the building of one of the hotels operated by the Group. For details, please refer to the announcements of the Company dated 26 June 2024, 31 July 2024 and 15 January 2025.

The aggregate of the remuneration payable to and benefits in kind received by the directors of the acquiring companies will not be varied as a consequence of the acquisitions.

Save as disclosed above, since 31 December 2023 (the date to which the latest published audited accounts of the Company have been made up), no member of the Group has acquired or agreed to be acquired or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors' report or next published accounts of the Company.

\* *For identification purpose only*

## UNAUDITED PROFIT AND LOSS STATEMENT OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or a company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement for the period from 22 August 2023 (the commencement date that the Property is held by Vendor) to 31 December 2023 and the year ended 31 December 2024 (the “**Relevant Periods**”) on the identifiable income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

The unaudited profit and loss statements (“**Unaudited Profit and Loss Statements**”) of the Property for the Relevant Periods as set out in this appendix has been prepared by the Directors based on the information provided by the Vendor is as follows:

	<b>For the period from 22 August 2023 to 31 December 2023 <i>HK\$'000</i> (Unaudited)</b>	<b>For the year ended 31 December 2024 <i>HK\$'000</i> (Unaudited)</b>
Rental income	–	1,200
Rent and rates	(23)	(86)
Building management fee	(40)	–
	<u>          </u>	<u>          </u>
Net (Loss)/Profit	<u>          (63)</u>	<u>          1,114</u>

*Notes:*

1. The financial information in relation to the Property set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 December 2023.
2. The rental income for the Relevant Periods is compiled from the tenancy agreement provided by the Vendor.

3. The Directors engaged Moore CPA Limited, the auditor of the Company, to conduct certain agreed-upon procedures on the Unaudited Profit and Loss Statement of the Property for the Relevant Periods in accordance with Hong Kong Standard on Related Services 4400 (Revised) “*Agreed-Upon Procedures Engagements*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarized below:
- (i) Obtain the Unaudited Profit and Loss Statements of the Property from the Directors which set out the rental income, rent and rates and building management fee for the Relevant Periods.
  - (ii) Obtain a schedule setting out names and the addresses of lessor and lessee, rental period, monthly rent, rent and rates and building management fee pertaining to the Property for the Relevant Periods (the “**Rental Income Summary**”) from the Directors and checked the arithmetical accuracy of the calculation of rental income for the Relevant Periods.
  - (iii) Obtain the copy of the tenancy agreement from the Directors and compared the names and addresses of the lessor and lessee, rental period and monthly rent and the expense responsibility clause of the Property (the “**Particulars**”) as shown in the Rental Income Summary to the corresponding details in the tenancy agreement.
  - (iv) Compare the rental income, rent and rates and building management fee for the Relevant Periods as shown in the Rental Income Summary to the respective amounts of rental income, rent and rates and building management fee shown in the Unaudited Profit and Loss Statements of the Property.

The auditor’s factual findings are as follows:

- a. With respect to procedure (i), the auditor obtained the Unaudited Profit and Loss Statements from the Directors which set out the rental income, rent and rates and building management fee for the Relevant Periods.
- b. With respect to procedure (ii), the auditor obtained the Rental Income Summary from the Directors and found the calculation of rental income for the Relevant Periods to be arithmetically accurate.
- c. With respect to procedure (iii), the auditor obtained the tenancy agreement from the Directors and found the Particulars as shown in the Rental Income Summary to be in agreement with the corresponding details in the tenancy agreement.
- d. With respect to procedure (iv), the auditor found the rental income, rent and rates and building management fee for the Relevant Periods as shown in the Rental Income Summary to be in agreement with the respective amounts of rental income, rent and rates and building management fee as shown in the Unaudited Profit and Loss Statements.

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

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements or Hong Kong Standards on Investment Circular Reporting Engagements issued by the HKICPA. Consequently, no assurance is provided or

expressed by the auditor of the Company on the unaudited financial information of the Property disclosed in this circular and the rental income for the Relevant Period.

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

Taking into account the above disclosures of unaudited financial information of the Property, the Directors are of the view that the Unaudited Profit and Loss Statement have been properly compiled and derived from the tenancy agreement.

### **VALUATION OF THE PROPERTY**

No valuation of the Property for each of the period end and the financial year end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation reports in respect of the Property from the Vendor. Instead a valuation of the Property as at 30 November 2024 as appraised by an independent valuer is prepared and set out in Appendix IV to this circular.

*The following is the text of a report, prepared for the purpose of inclusion in this circular, received from the Company's independent reporting accountants, Moore CPA Limited.*

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

**1. Introduction**

The following is the unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), comprising the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2024 and related notes (collectively, the “**Unaudited Pro Forma Financial Information**”).

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

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate the unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2024 as if the Acquisition and Assignment had been completed on 30 June 2024.

The Unaudited Pro Forma Financial Information of the Group is based upon the unaudited consolidated financial information of the Group for six months ended 30 June 2024, which has been derived from the Company's published interim report for the period then ended, dated 19 September 2024, after taking pro forma adjustments as summarised in the accompanying notes that are clearly shown explained, factually supportable and directly attributable to the Acquisition and Assignment.

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

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Company for the six months ended 30 June 2024 and other financial information included elsewhere in this circular.

2. Unaudited pro forma consolidated statement of assets and liabilities of the Group  
as at 30 June 2024

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2024 <i>HKD'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HKD'000</i> <i>Note (b)</i>	Pro forma adjustment <i>HKD'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2024 <i>HKD'000</i>
<b>Non-current assets</b>				
Property, plant and equipment	2,000	–	–	2,000
Right-of-use assets	794	–	–	794
Investment properties	814,710	–	92,386	907,096
Goodwill	3,471	–	–	3,471
Interest in an associate	–	–	–	–
Financial assets at fair value through other comprehensive income	8,963	–	–	8,963
Investment in corporate bond	14,014	–	–	14,014
Loan receivables	11,064	–	–	11,064
Deferred tax assets	2,847	–	–	2,847
Rental deposit	249	–	–	249
	858,112	–	92,386	950,498
<b>Current assets</b>				
Inventories	7,485	–	–	7,485
Loan and interest receivables	144,193	(16,948)	–	127,245
Financial assets at fair value through profit or loss	103,980	–	–	103,980
Trade and other receivables, deposit and prepayment	34,315	–	–	34,315
Amount due from a director	65,746	22,623	(88,000)	369
Cash and bank balances	135,217	–	–	135,217
	490,936	5,675	(88,000)	408,611
Asset classified as held for sale	37,829	–	–	37,829
	528,765	5,675	(88,000)	446,440

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2024 <i>HKD'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HKD'000</i> <i>Note (b)</i>	Pro forma adjustment <i>HKD'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 June 2024 <i>HKD'000</i>
<b>Current liabilities</b>				
Trade payables, accruals and other payables	146,557	–	4,386	150,943
Lease liabilities	626	–	–	626
Bank borrowings	272,160	–	–	272,160
Other borrowings	88,238	–	–	88,238
Bond payable	42,200	–	–	42,200
Tax payables	2,309	–	–	2,309
Loan from a director	21,496	–	–	21,496
	<u>573,586</u>	<u>–</u>	<u>4,386</u>	<u>577,972</u>
<b>Net current liabilities</b>	<u>(44,821)</u>	<u>5,675</u>	<u>(92,386)</u>	<u>(131,532)</u>
<b>Total assets less current liabilities</b>	<u>813,291</u>	<u>5,675</u>	<u>–</u>	<u>818,966</u>
<b>Non-current liabilities</b>				
Lease liabilities	176	–	–	176
	<u>176</u>	<u>–</u>	<u>–</u>	<u>176</u>
<b>Net assets</b>	<u><u>813,115</u></u>	<u><u>5,675</u></u>	<u><u>–</u></u>	<u><u>818,790</u></u>

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

- (a) The Group's financial information is based upon the unaudited consolidated financial information of the Group for the six months ended 30 June 2024, which has been derived from the Group's published interim report for the period then ended, dated 19 September 2024.

- (b) The adjustments are to reflect (i) Mr. Lai agreed to accept the assignment of the gross amounts of receivables at a consideration of approximately HK\$22,623,000, and (ii) reversal of the credit loss allowances related to the assigned receivables of approximately HK\$5,675,000 as at 30 June 2024. The breakdown of the gross amounts of assigned receivables and their respective credit loss allowances as at 30 June 2024 is as follows:

	<b>Credit loss allowances</b> <i>HK\$'000</i>	<b>Gross amount</b> <i>HK\$'000</i>
Receivables from Ms. Lee	798	4,500
Receivables from Mr. You	1,586	8,890
Receivables from YuLong	2,529	7,096
Receivables from YL Asia Pacific	762	2,137
	<u>5,675</u>	<u>22,623</u>

- (c) The adjustments are to reflect (i) the consideration of the Acquisition of HK\$88,000,000, which shall be offset against the consideration of the Assignment (as mentioned in note (b) above) and the consideration of the March 2024 Assignment (which is recorded as amount due from a director as at 30 June 2024); and (ii) other directly attributable costs of the Acquisition and Assignment of approximately HK\$4,386,000 comprising stamp duty of approximately HK\$3,740,000, and legal fee of approximately HK\$646,000.

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

- (d) No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 30 June 2024 for the unaudited pro forma consolidated statement of assets and liabilities.
- (e) Assuming the Acquisition and Assignment was completed on 30 June 2024, the Group has net current liabilities of approximately HK\$131,532,000 as at 30 June 2024. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

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

The current liabilities of the Group include bank borrowings of approximately HK\$182,635,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 13 to 19 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

In addition, the directors of the Company also consider several measures together aiming at improving the working capital and cash flow position of the Group which include taking stringent cost controls of the Group, seeking opportunities on new businesses and equity fund-raising.

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

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

**(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

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

**Moore CPA Limited**

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Harbour City, 19 Canton Road,  
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF FUTURE WORLD HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2024 and related notes as set out in Part A of Appendix III to the circular dated 25 February 2025 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed acquisition of a property and the assignment of receivables (the “**Acquisition and Assignment**”) on the Group's assets and liabilities as at 30 June 2024 as if the Acquisition and Assignment had taken place at 30 June 2024. As part of this process, information about the Group's assets and liabilities as at 30 June 2024 has been extracted by the Directors from the interim report of the Group for the period ended 30 June 2024, dated 19 September 2024, on which an interim report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

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

### **Our Independence and Quality Management**

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

Our firm applies Hong Kong Standard on Quality Management 1 “*Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*”, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

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

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

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

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 30 June 2024 would have been as presented.

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

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

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

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

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

### **Opinion**

In our opinion:

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note (e) to the Unaudited Pro Forma Financial Information, which indicates that the Group has pro forma net current liabilities of approximately HK\$131,532,000 as at 30 June 2024. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Moore CPA Limited**

*Certified Public Accountants*

**Ng Ngai Yan**

Practising Certificate Number: P07422

Hong Kong, 25 February 2025

*The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 30 November 2024 of the property interests held by the Group.*



Suite 403, 93-103 Wing Lok Street,  
Sheung Wan, Hong Kong

WEB: [www.mpval.com](http://www.mpval.com)

25 February 2025

The Board of Directors  
**Future World Holdings Limited**  
Unit 612, Tai Yau Building  
181 Johnston Road  
Wanchai, Hong Kong

Dear Sirs/Madams,

**VALUATION OF FLAT B ON 28TH FLOOR, BROADVIEW VILLA, NO.20 BROADWOOD ROAD, HONG KONG**

**INSTRUCTIONS**

In accordance with the instructions of Future World Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the property interests located at Flat B on 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong. We confirm that we have carried out the inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as at 30 November 2024 (the “**Valuation Date**”).

**VALUATION STANDARDS**

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

**BASIS OF VALUATION**

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

**VALUATION ASSUMPTIONS**

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

For the properties held under long-term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees have been granted and that any premium payable has already been fully settled. Unless stated otherwise, we have assumed that the respective title owner of the properties has an enforceable title of the property interests and has free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted.

Unless noted in the report, vacant possession is assumed for the property concerned.

Continued uses assume the properties will be used for the purposes for which the properties are designed and built or to which they are currently adapted. The valuation of the property in continued uses does not represent the amount that might be realised from the piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

#### **VALUATION METHODOLOGY**

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects, including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

Since there are suitable comparable references near the subject property, the market approach can reflect its market value more intuitively, therefore the market approach is adopted.

#### **TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the property interests in Hong Kong. However, we have caused searches to be made for the property at the Land Registry in Hong Kong. However, we have not scrutinised the original documents to verify ownership and encumbrances or to ascertain any amendment which may or may not appear on the land search. All documents have been used for reference only, and all dimensions, measurements, and areas are approximate.

**SITE INVESTIGATION**

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 12 December 2024 by Greivis Sze (BSc Real Estate, Director of Masterpiece Valuation Advisory Limited) and Angel Lui (HKIS Probationer member, Analyst of Masterpiece Valuation Advisory Limited). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

**SOURCE OF INFORMATION**

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

**LIMITING CONDITION**

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

**CURRENCY**

All monetary figures stated in this report are in Hong Kong dollars (HKD).

**REMARKS**

This report and the conclusion of value arrived at herein are for the exclusive use of Future World Holdings Limited or the sole and specific purposes as noted and we accept no responsibility or liability to any party whatsoever in respect of the contents of this report.

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**  
**Sr Oswald W Y Au**  
*MHKIS(GP) AAPI MSc(RE)*  
*Registered Professional Surveyor (GP)*  
*Managing Director*

*Note:* Mr. Oswald W Y Au is a member of the Hong Kong Institute of Surveyors (General Practice), an Associate Member of the Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with the Surveyors Registration Board. He has over 20 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and the Asia Pacific region respectively.

## VALUATION CERTIFICATE

## Property held for investment by the Group

Property	Description and tenure	Particulars of occupancy	Market value as at 30 November 2024 HKD
<p>Flat B on 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong (“the Property”)</p> <p>156/14,215 equal and undivided parts or shares of and in Inland Lot No. 8812</p>	<p>The Property is a residential unit located on the 28/F of Broadview Villa (the “<b>building</b>”), which is a 43-storey building completed in 1995, as per Occupation Permit No. H20/95.</p> <p>The building is surrounded by Broadwood Road in Happy Valley, Hong Kong. The area concerned is a well-established residential district; general shopping, recreational, and public facilities can be found nearby. Public transport, such as trams, public light buses and taxis, are available.</p> <p>According to the sales brochure, the saleable area of the property interest is approximately 2,853 ft<sup>2</sup> (approximately 265.05 m<sup>2</sup>).</p> <p>The building is zoned as “Residential (Group C)” under Hong Kong Planning Area No. 7 Approved Wong Nai Chung Outline Zoning Plan No. S/H7/21 gazetted on 4 December 2020.</p> <p>Inland Lot No. 8812 is held under Conditions of Exchange No. 12154 for a lease term from 19 July 1991 to 30 June 2047, commencing from 19 July 1991. The government rent of the subject lot is HKD2,016,360.00 per annum.</p>	<p>As the date of valuation, the Property was subject to a lease term commencing from 1 January 2024 to 31 December 2025, with a monthly rent of HKD100,000 (Government Rent and Government Rates inclusive) and the government rent and rates for 2024 amount to HKD86,041.</p>	<p>88,000,000.00 (Eighty-Eight Million)</p>

*Notes:*

- i. The registered owner of the Property is LAI LONG WAI 黎朗威 by an Assignment dated 22 August 2023 at a consideration of HKD100,000,000.00 registered vide Memorial No. 23091101140362.
- ii. The major encumbrances registered in Land Register against the Property interests are as follows:
  - Certificate of Compliance dated 7 April 1995 registered vide Memorial No. UB6264773
  - Deed of Mutual Covenant and Management Agreement in favour of Hopewell Property Management Company Limited “The Manager” dated 11 April 1995, registered vide Memorial No. UB6274152. (Remarks: with plan)

Save for the disclosed major encumbrances in the Circular, there are no other material encumbrances, liens, pledges, mortgages against the property.

- iii. The property sales comparable are selected as they have characteristics comparable to the Property—the price range of the comparable from HKD31,000 to HKD41,000 per sq.ft. on saleable area. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considering various adjustments, including time, size, view, floor, year of completion, building condition, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, the adjusted price range of the comparable is from HKD29,000 to HKD33,000 and we have adopted the average unit rate of the comparable of HKD30,845 per sq.ft. on saleable area.
- iv. The selection criteria of the 4 transaction comparable references are stated below:
  - a. The usage of the comparable references, which are high-rise residential properties;
  - b. The location of the comparable references, which are located in Happy Valley, Hong Kong;
  - c. The saleable area of the comparable references, which are larger than 2,000 sq.ft.; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.
  - e. The ages of the comparable reference buildings range from 1990 to 2000, with the exception of the building that underwent rehabilitation.

The comparable references are exhaustive based on the above selection criteria. The details of the comparable references are stated below:

No.	Address	Saleable Area (sq.ft.)	Transaction Date	Consideration (HKD)	Unit Price/sq.ft. (HKD)
1	Flat B 31/F, 20 Broadwood Road, Broadview Villa, Happy Valley, Hong Kong	2,853	8 December 2023	90,000,000	31,546
2	Flat B 26/F, 20 Broadwood Road, Broadview Villa, Happy Valley, Hong Kong	2,853	15 March 2024	90,000,000	31,546
3	Unit 2 19/F Block A and a Car Parking Space, WINFIELD Building, 3 VENTRIS Road, Happy Valley, Hong Kong	2,006	17 October 2022	78,000,000	38,883
4	Unit 2 21/F Block A and a Car Parking Space, WINFIELD Building, 3 VENTRIS Road, Happy Valley, Hong Kong	2,006	2 June 2023	83,600,000	41,675

We have adopted the comparable references by considering time, size, floor level, building age and building condition discount and 5% to -14% adjustments have been adopted for time, size, floor level, building age and building condition.

The market value of the property:

**Market rate**  
*(HKD)*

**Formula:**

**Market value = A × B**

**88,000,000**

Where:

A = Adopted unit rate – HKD30,845/sq.ft.

B = Saleable area of the subject property (sq.ft.) – 2,853 sq.ft.

## 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 <sup>(Note 1)</sup>	Interest of controlled corporation	50,316,589	19.71%
Yu Qingrui	Beneficial owner	133,511	0.05%

*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*

<b>Name of Shareholder</b>	<b>Nature of interests</b>	<b>Interest in Shares</b>	<b>Approximate percentage of issued Shares</b>
China Clean Energy Technology Limited <sup>(Note 1)</sup>	Beneficial owner	50,316,589	19.71%
Tan Jinkang	Beneficial owner	22,440,000	8.79%
Yip Chun Tat	Beneficial owner	21,960,000	8.60%
Chu Yuk Shun Joseph	Beneficial owner	21,700,000	8.50%
Liu Mingzhong	Beneficial owner	21,320,000	8.35%
Yang XuanZi	Beneficial owner	20,880,000	8.18%
Fang Wen Wen	Beneficial owner	19,143,000	7.50%

*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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and his/her close associates 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 EXPERTS

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

<b>Name</b>	<b>Qualification</b>
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
Masterpiece Valuation Advisory Limited	Qualified valuer
Moore CPA Limited	Certified Public Accountants

Each of the above experts 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 at the date of this circular for incorporation in this circular.

As at the Latest Practicable Date, each of the above experts (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 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;
- (b) 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 as purchaser (“**Shenzhen Baiyi**”), 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;
- (c) 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;
- (d) 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;
- (e) 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 and assignment 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 non-interest bearing and unsecured shareholder’s loan provided by Hao Xiaorun to MLH Property in the carrying amount of RMB32,000,000 to be assigned to the purchaser as the date of the sales and purchase agreement at considerations of RMB3,400,000 and RMB32,000,000, respectively;

- (f) 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;
- (g) the deed of assignment dated 22 March 2024 entered into between the Company as assignor and Mr. Lai as assignee in relation to the March 2024 Assignment at a consideration of HK\$65,745,700;
- (h) the sales and purchase agreement dated 15 April 2024 and entered into between Alpha Idea Holdings Limited as vendor and Mr. 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 for the consideration of HK\$38,000,000, subject to adjustments;
- (i) 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;
- (j) 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;
- (k) the sales and purchase agreement dated 2 October 2024 entered into between Shenzhen Xingguanghui Property Management Co., Ltd.\* (深圳星光輝物業管理有限公司) as purchaser and Cao Yi (曹藝) as vendor in relation to the acquisition of the entire equity interest in Shenzhen Meilianhang Property Management Co., Ltd.\* (深圳美鏈行物業管理有限公司) at a consideration of RMB15,000,000;
- (l) the subscription agreement dated 15 January 2025 entered into between Mr. Chu Yuk Shun Joseph and the Company in relation to the issue and allotment of 23,188,310 Shares at a subscription price of HK\$0.6 per Share for the settlement of promissory note;
- (m) the Conditional Provisional Agreement; and
- (n) the Deed of Assignment.

**9. CORPORATE INFORMATION OF THE GROUP**

<b>Registered office</b>	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Head office and principal place of business in Hong Kong</b>	Unit 612 Tai Yau Building 181 Johnston Road Wan Chai Hong Kong
<b>Company secretary</b>	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> )
<b>Principal share registrar and transfer office</b>	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Branch share registrar and transfer office in Hong Kong</b>	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](http://www.hkexnews.hk)) and the Company ([www.fw-holdings.com](http://www.fw-holdings.com)) for 14 days from the date of this circular:

- (a) the Conditional Provisional Agreement;
- (b) the Deed of Assignment;
- (c) the letter from the Independent Board Committee dated 25 February 2025;

- (d) the letter from the Independent Financial Adviser dated 25 February 2025;
- (e) the assurance report by Moore CPA Limited in respect of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (f) the property valuation report by Masterpiece Valuation Advisory Limited, the text of which is set out in Appendix IV to this circular;
- (g) the written consents given by the experts as referred to in the paragraph headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix; and
- (h) this circular.

\* *For identification purpose only*

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**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 Friday, 14 March 2025 for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

**“THAT**

- (a) the Conditional Provisional Agreement dated 23 December 2024 entered into between Future Group Investment Holdings Limited and Mr. Lai Long Wai and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) the Deed of Assignment dated 23 December 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
- (c) 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 Conditional Provisional Agreement, 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**  
**Wang Qian**  
*Chairlady*

Hong Kong, 25 February 2025

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## NOTICE OF EGM

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*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 25 February 2025. 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 Tuesday, 11 March 2025 to Friday, 14 March 2025 (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 Monday, 10 March 2025 for registration.