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FUTURE WORLD HOLDINGS LIMITED

未來世界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

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

THE ASSIGNMENT

The Board is pleased to announce that, on 22 March 2024 (after trading hours), the Company and Mr. Lai 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 and the Share Charges at a consideration of HK\$65,745,700. Upon the Completion, Mr. Lai will have all the rights, title and interests to and in the Receivables and the Share Charges.

IMPLICATIONS UNDER THE LISTING RULES

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

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

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder.

An EGM will be held and convened for the purpose of considering and, if thought fit, approving, confirming and ratifying the Assignment, the Deed of Assignment and the transactions contemplated thereunder. Mr. Lai and his Associates are required to abstain from voting on the resolution(s) approving the Assignment, the Deed of Assignment and the transactions contemplated thereunder at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Assignment and the Deed of Assignment and is required to abstain from voting on the resolution(s) approving the Assignment, the Deed of Assignment and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Deed of Assignment; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Assignment and the Deed of Assignment; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Assignment and the Deed of Assignment; and (iv) the notice of EGM and the proxy forms will be despatched to the Shareholders on or before 17 April 2024.

Completion is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in the Deed of Assignment. Accordingly, the Assignment may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that, on 22 March 2024 (after trading hours), the Company and Mr. Lai 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 and the Share Charges at a consideration of HK\$65,745,700. Upon the Completion, Mr. Lai will be entitled to all the rights, title and interests to and in the Receivables and the Share Charges.

BACKGROUND

1. The First Receivables

On 3 November 2022, Globally Finance entered into the Zhang SPA and the Ouyang SPA for the transfer of 17,823,000 issued shares of Shangdong Hi-Speed to Mr. Zhang at a consideration of HK\$27,447,420 and the transfer of 11,882,000 issued shares of Shangdong Hi-Speed to Mr. Ouyang at a consideration of HK\$18,298,280, respectively.

On 2 March 2023, Mr. Zhang and Mr. Ouyang separately entered into the Zhang Share Charge and the Ouyang Share Charge with Globally Finance, pursuant to which Mr. Zhang and Mr. Ouyang agreed to charge 17,823,000 and 11,882,000 issued shares of Shangdong Hi-Speed to Globally Finance, respectively, as security for their respective payment obligations under the Zhang SPA and the Ouyang SPA.

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

2. The Second Receivables

On 10 January 2023, the Company and World Sincere entered into the WS Deed of Assignment for the assignment of receivables with the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International to the Company for a consideration of HK\$20,000,000.

On 22 March 2024, the Company and World Sincere entered into a deed of termination, pursuant to which the Company and World Sincere voluntarily terminated, rescinded and canceled the WS Deed of Assignment, and the consideration of HK\$20,000,000 shall be refunded by World Sincere to the Company.

THE DEED OF ASSIGNMENT

Date 22 March 2024 (after trading hours)

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

Subject matter

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

Considerations and payment terms

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

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

Conditions precedent

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

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

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

Security provided

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

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

The assignment of the Shenzhen Baiyi Receivables is conditional upon the occurrence of any event of default as stipulated in the Deed of Assignment.

Undertakings

Mr. Lai has undertaken to the Company that:

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

Completion

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

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

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

In view of the prolonged duration of recovering the Receivables, Mr. Lai, an executive Director and a substantial shareholder of the Company, has agreed to take assignment of the rights, titles and benefits of the Receivables and the Share Charges at the Consideration of HK\$65,745,000.

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. Considering that Mr. Lai is an executive Director and a substantial shareholder of the Company and that he has made several undertakings and provided the Shenzhen Baiyi Receivables as security to the Company in respect of his payment obligation under the Assignment, the Directors (excluding the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser and 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 risk of non-payment by Mr. Lai is relatively low.

In view of the above, the Directors (excluding the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser and Mr. Lai who has abstained from voting due to his material interest in the Deed of Assignment and the transactions contemplated thereunder) are of the view that the Assignment, the Deed of Assignment and the transactions contemplated thereunder are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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

Mr. Lai is an executive Director and a substantial shareholder of the Company. Mr. Lai has extensive experience in the fields of accounting, finance and investment.

IMPLICATIONS UNDER THE LISTING RULES

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

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

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder.

An EGM will be held and convened for the purpose of considering and, if thought fit, approving, confirming and ratifying the Assignment, the Deed of Assignment and the transactions contemplated thereunder. Mr. Lai and his Associates are required to abstain from voting on the resolution(s) approving the Assignment, the Deed of Assignment and the transactions contemplated thereunder at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Assignment and the Deed of Assignment and is required to abstain from voting on the resolution(s) approving the Assignment, the Deed of Assignment and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Deed of Assignment; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Assignment and the Deed of Assignment; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Assignment and the Deed of Assignment; and (iv) the notice of EGM and the proxy forms will be despatched to the Shareholders on or before 17 April 2024.

Completion is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in the Deed of Assignment. Accordingly, the Assignment may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings ascribed to them respectively:

“Assignment”	the assignment of the Receivables and the Share Charges to Mr. Lai pursuant to the Deed of Assignment
“Associate(s)”	has the meaning ascribed to this term 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

“Company”	Future World Holdings Limited (未來世界控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on Main Board of the Stock Exchange (stock code: 572)
“Completion”	completion of the Deed of Assignment
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering, and if thought fit, approving, confirming and ratifying among other matters, the Assignment, the Deed of Assignment and the transactions contemplated thereunder
“First Receivables”	collectively, (i) the outstanding amount of HK\$27,447,420 due and payable by Mr. Zhang; and (ii) the outstanding amount of HK\$18,298,280 due and payable by Mr. Ouyang
“GF Deed of Assignment”	the deed of assignment entered into between Globally Finance as assignor and the Company as assignee dated 22 March 2024 for the assignment of the First Receivables and the Share Charges at a consideration of HK\$45,745,700
“Globally Finance”	Globally Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	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 Assignment, the terms of the Deed of Assignment and the transactions contemplated thereunder

“Independent Shareholders”	the Shareholders and/or their respective Associates who are not required under the Listing Rules to abstain from voting at the EGM, other than those persons who have material interest in the Assignment (if any)
“Lato International”	Lato International Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lai”	Mr. Lai Long Wai (黎朗威), an executive Director and a substantial shareholder of the Company
“Mr. Ouyang”	Mr. Ouyang Renhe (歐陽仁和)
“Mr. Zhang”	Mr. Zhang Yan (張岩)
“Ouyang Share Charge”	the share charge entered into between Globally Finance as chargee and Mr. Ouyang as chargor dated 2 March 2023 for the charging of 11,882,000 issued shares of Shangdong Hi-Speed to Globally Finance as security for Mr. Ouyang’s payment obligation under the Ouyang SPA
“Ouyang SPA”	the sales and purchase agreement entered into between Globally Finance as vendor and Mr. Ouyang as purchaser dated 3 November 2022 for the transfer of 11,882,000 issued shares of Shangdong Hi-Speed to Mr. Ouyang at a consideration of HK\$18,298,280
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Receivables”	collectively, (i) the First Receivables and (ii) the Second Receivables
“Repayment Date”	31 December 2024
“Second Receivables”	the outstanding amount of HK\$20,000,000 payable by World Sincere

“Shangdong Hi-Speed”	Shangdong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company established in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 412)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Share Charges”	collectively, (i) the Zhang Share Charge and (ii) the Ouyang Share Charge
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Baiyi”	Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
“World Sincere”	World Sincere Limited, a company established in the British Virgin Islands with limited liability
“WS Deed of Assignment”	the deed of assignment entered into between the Company and World Sincere dated 10 January 2023 for the assignment of receivables with the outstanding principal amount of HK\$21,060,000 plus interest of HK\$7,389,463 accruing as at 29 June 2022 due and payable by Latop International to the Company for a consideration of HK\$20,000,000
“Zhang Share Charge”	the share charge entered into between Globally Finance as chargee and Mr. Zhang as chargor dated 2 March 2023 for the charging of 17,823,000 issued shares of Shangdong Hi-Speed to Globally Finance as security for Mr. Zhang’s payment obligation under the Zhang SPA
“Zhang SPA”	the sales and purchase agreement entered into between Globally Finance as vendor and Mr. Zhang as purchaser on 3 November 2022 for the transfer of 17,823,000 issued shares of Shangdong Hi-Speed to Mr. Zhang at a consideration of HK\$27,447,420

“%”

per cent

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

Hong Kong, 22 March 2024

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

* *For identification purpose only*