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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)**

**DISCLOSEABLE TRANSACTION  
SHARE SWAP BETWEEN THE COMPANY AND  
CA CULTURAL TECHNOLOGY GROUP LIMITED**

On 24 August 2021 (after trading hours), the Company and CA Cultural entered into the Share Swap Agreement pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural Subscription Shares under the CA Cultural General Mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this announcement and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share for a total consideration of HK\$9,520,000; and

- (ii) CA Cultural shall subscribe for and the Company shall allot and issue 95,000,000 FW Subscription Shares under the General Mandate, representing approximately 9.51% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.68% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CA Cultural (or its nominee) at the Subscription Price of HK\$0.10 per FW Subscription Share for a total consideration of HK\$9,500,000.

Completion of the allotment and issue of the CA Cultural Subscription Shares and the FW Subscription Shares shall take place simultaneously.

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the FW Subscription Shares.

As the relevant percentages exceed 5% but are less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Since completion of the Share Swap is subject to the fulfillment of the conditions as set out in the Share Swap Agreement, the Share Swap may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

The Board announces that on 24 August 2021 (after trading hours), the Company and CA Cultural entered into the Share Swap Agreement pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural Subscription Shares under the CA Cultural General Mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this announcement and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share for a total consideration of HK\$9,520,000; and

- (ii) CA Cultural shall subscribe for and the Company shall allot and issue 95,000,000 FW Subscription Shares under the General Mandate, representing approximately 9.51% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.68% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CA Cultural (or its nominee) at the Subscription Price of HK\$0.10 per FW Subscription Share for a total consideration of HK\$9,500,000.

The principal terms of the Share Swap Agreement are set out below.

## **THE SHARE SWAP AGREEMENT**

### **Date**

24 August 2021 (after trading hours)

### **Parties**

The Company

CA Cultural

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, CA Cultural and its associates are Independent Third Parties.

### **Assets to be acquired**

Pursuant to the Share Swap Agreement, the Company shall subscribe for and CA Cultural shall allot and issue 4,000,000 CA Cultural Subscription Shares under the CA Cultural General Mandate, representing approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this announcement and approximately 0.406% of the issued share capital of CA Cultural as enlarged by the allotment and issue of the CA Cultural Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share for a total consideration of HK\$9,520,000, which shall be settled by the Company by way of the issue and allotment of the FW Subscription Shares under the FW Subscription.

## **Conditions**

The respective obligations of the Company and CA Cultural to effect the Share Swap completion shall be conditional upon the following conditions precedent (the “**Conditions Precedent**”):

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which neither the Company nor CA Cultural shall reasonably object) the listing of, and permission to deal in, both the CA Cultural Subscription Shares and FW Subscription Shares; and
- (ii) any other approval as may be required by applicable laws, rules or regulations for the CA Cultural Subscription and the FW Subscription.

If the Conditions Precedent have not been fulfilled on or before 31 October 2021 or such later date as may be agreed between the Company and CA Cultural, the Share Swap Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

## **Completion**

Subject to the fulfilment of the Conditions Precedent, the completion of the CA Cultural Subscription and the FW Subscription shall take place simultaneously on the Completion Date, at such place and at such time as the Company and CA Cultural may agree, and the parties to the Share Swap Agreement shall perform its respective obligations set out in the Share Swap Agreement. No partial Completion shall be permitted.

Upon Completion, the price of the CA Cultural Subscription payable by the Company to CA Cultural shall be set off against the price of the FW Subscription payable by CA Cultural to the Company whereupon the payment obligation for the price of the CA Cultural Subscription by the Company and the payment obligation for the price of FW Subscription by CA Cultural shall be deemed to be fully released and discharged.

## **FW SUBSCRIPTION AND CA CULTURAL SUBSCRIPTION**

### **FW Subscription**

Pursuant to the Share Swap Agreement, CA Cultural has agreed to subscribe for and the Company has agreed to allot and issue to CA Cultural (or its nominee) 95,000,000 FW Subscription Shares at the Subscription Price of HK\$0.10 per FW Subscription Share, which will be settled by CA Cultural by allotment and issue of the 4,000,000 CA Cultural Subscription Shares at the CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share to the Company (or its nominee).

The 95,000,000 FW Subscription Shares represent approximately 9.51% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.68% of the enlarged issued share capital of the Company as a result of the FW Subscription on the assumption that there will be no other changes in the share capital of the Company save and except for the FW Subscription.

As at the date of this announcement, CA Cultural and its subsidiaries do not hold any Shares in the issued share capital of the Company. Immediately after Completion, CA Cultural and its subsidiaries will hold an aggregate of 95,000,000 Shares in the enlarged issued share capital of the Company, representing approximately 8.68% of the enlarged issued share capital of the Company as a result of the FW Subscription.

The aggregate nominal value of the 95,000,000 FW Subscription Shares is HK\$1,900,000. The FW Subscription Shares, when allotted and issued, shall rank *pari passu* in all respect among themselves and with other Shares in issue as at the date of Completion.

### **CA Cultural Subscription**

Pursuant to the Share Swap Agreement, the Company has agreed to subscribe for and CA Cultural has agreed to allot and issue to the Company (or its nominee) 4,000,000 CA Cultural Subscription Shares at the CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share, which will be settled by the Company by allotment and issue of the 95,000,000 FW Subscription Shares at the Subscription Price of HK\$0.10 per FW Subscription Share to CA Cultural (or its nominee).

The 4,000,000 CA Cultural Subscription Shares represent approximately 0.407% of the existing issued share capital of CA Cultural as at the date of this announcement and approximately 0.406% of the enlarged issued share capital of CA Cultural as a result of the CA Cultural Subscription on the assumption that there will be no other changes in the share capital of CA Cultural save and except for the CA Cultural Subscription.

As at the date of this announcement, the Company and its subsidiaries do not hold any CA Cultural Shares in the issued share capital of CA Cultural. Immediately after Completion, the Company and its subsidiaries will hold an aggregate of 4,000,000 CA Cultural Shares in the enlarged issued share capital of CA Cultural, representing approximately 0.406% of the enlarged issued share capital of CA Cultural as a result of the CA Cultural Subscription.

The aggregate nominal value of the 4,000,000 CA Cultural Subscription Shares is HK\$400,000. The CA Cultural Subscription Shares, when allotted and issued, shall rank pari passu in all respect among themselves and with other CA Cultural Shares in issue as at the date of Completion.

### **Subscription Price**

The Subscription Price of HK\$0.10 per FW Subscription Share represents:

- (a) a discount of approximately 6.54% to the closing price of HK\$0.107 per Share as quoted on the Stock Exchange on 24 August 2021; and
- (b) a discount of approximately 6.54% to the average closing price of approximately HK\$0.107 per Share as quoted on the Stock Exchange for the five consecutive trading days from 17 August 2021 to 23 August 2021 (both dates inclusive).

The Subscription Price was determined after arm's length negotiations between the Company and CA Cultural by reference to the recent trading performance of the Shares and the market circumstances. The Board considers that the terms and conditions of the FW Subscription and the Share Swap Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **General Mandate**

The FW Subscription Shares will be allotted and issued under the General Mandate pursuant to which the Directors may allot and issue up to 199,784,371 Shares (representing 20% of the issued share capital of the Company as at the date of the AGM). As at the date of this announcement and immediately prior to the entering into of the Share Swap Agreement, the General Mandate has not yet been utilized.

## **Application for listing**

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the FW Subscription Shares to be allotted and issued under the Share Swap Agreement.

An application will be made by CA Cultural to the Stock Exchange for the listing of and permission to deal in the CA Cultural Subscription Shares to be allotted and issued under the Share Swap Agreement.

## **CA Cultural Subscription Price**

The CA Cultural Subscription Price of HK\$2.38 per CA Cultural Subscription Share represents:

- (c) a discount of approximately 4.80% to the closing price of HK\$2.50 per CA Cultural Share as quoted on the Stock Exchange on 24 August 2021; and
- (d) a discount of approximately 10.93% to the average closing price of approximately HK\$2.672 per CA Cultural Share as quoted on the Stock Exchange for the five consecutive trading days from 17 August 2021 to 23 August 2021 (both dates inclusive).

The CA Cultural Subscription Price was determined after arm's length negotiations between the Company and CA Cultural by reference to the recent trading performance of the CA Cultural Shares and the market circumstances. The Board considers that the terms and conditions of the CA Cultural Subscription and the Share Swap Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, on the assumption that there will be no change in share capital of the Company from the date of this announcement until completion of the FW Subscription, the changes of the shareholding structure of the Company as a result of the FW Subscription as follows:

|   |     | As at the date of<br>this announcement and<br>immediately before completion of<br>the Subscription |                          | Immediately after<br>completion of<br>the Subscription |                          |
|---|-----|--|--------------------------|--|--------------------------|
|   |     | <i>No. of<br/>Shares</i>   | <i>Approximate<br/>%</i> | <i>No. of<br/>Shares</i>                               | <i>Approximate<br/>%</i> |
| CA Cultural and its subsidiaries                                | (1) | –  | –                        | 95,000,000   | 8.68                     |
| HRG Robotics International<br>Limited (“ <b>HRG Robotics</b> ”) | (2) | 189,080,000  | 18.93                    | 189,080,000  | 17.28                    |
| Directors   | (3) | 7,738,045  | 0.77                     | 7,738,045  | 0.71                     |
| Other public Shareholders                                       |     | 802,103,813  | 80.30                    | 802,103,813  | 73.33                    |
| <b>Total</b>  |     | <b>998,921,858</b>   | <b>100.00</b>            | <b>1,093,921,858</b>                                   | <b>100.00</b>            |

*Notes:*

- As at the date of this announcement, CA Cultural and its subsidiaries do not hold any Shares.

2. HRG Robotics is a company incorporated in Hong Kong in July 2017. HRG Robotics is wholly-owned by HIT Robot Group Shanghai Technology Service Co., Ltd.\* (哈工大機器人集團上海科技服務有限公司), which in turn is wholly-owned by HIT Robot Group Co., Ltd.\* (哈工大機器人集團股份有限公司) (“**HIT Robot**”). HIT Robot was established in December 2014 as an enterprise jointly set up by Heilongjiang provincial government, the municipal government of Harbin and Harbin Institute of Technology. Based on the public record, HIT Robot is owned as to 30.01% by Harbin Industrial University Asset Investment Company Limited\* (哈爾濱工業大學資產投資經營有限責任公司) which is wholly-owned by Harbin Industrial University\* (哈爾濱工業大學), 22.32% by HIT Qifu Investment Co., Ltd.\* (哈爾濱工大啟賦投資有限公司) and the remaining equity interest is held by 12 individual, corporate entities or partnerships, each of them holds less than 10% equity interest in HIT Robot. HIT Robot and its subsidiaries (the “**HIT Robot Group**”) are principally engaged in the design, development, manufacturing and sales of robots and specializes in robotics industry and related businesses. Mr. Wang Fei, an executive Director of the Company, is also the chairman of HIT Robot. Mr. Wang is interested in approximately 59.99% of HIT Qifu Investment Co., Ltd.\* (哈爾濱工大啟賦投資有限公司).
3. Mr. Siu Yun Fat, an executive Director, is interested in 3,440,000 Shares. Mr. Yu Qingrui, an executive Director, is interested in 2,670,221 Shares. Mr. Cai Linzhan, an executive Director, is interested in 1,614,457 Shares. Mr. Tam Tak Wah, an independent non-executive Director, is interested in 13,367 Shares.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company. The Group are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) investment in film industry; (vi) trading business and related services; and (vii) licensing of e-commerce platform.

## INFORMATION OF CA CULTURAL

CA Cultural is an investment holding company. The CA Cultural Group is a multimedia animation entertainment group in China, engaged in the business of sales of animation-derived products featuring a wide range of popular third-party owned animation characters, including general plastic toys and food-grade toys. The Group also offers relevant value-added services, including quality control and advice on product design to customers in accordance with their requests.

Set below is the financial information of CA Cultural:

|                        | <b>For the year<br/>ended<br/>31 March<br/>2020<br/><i>HK\$'000</i><br/>(Audited)</b> | <b>For the year<br/>ended<br/>31 March<br/>2021<br/><i>HK\$'000</i><br/>(Audited)</b> |
|------------------------|---|---|
| Profit before taxation | 102,980   | 51,596  |
| Profit after taxation  | 109,488   | 70,982  |
| Net asset value        | 942,902   | 1,170,341   |

The audited net asset value of CA Cultural as at 31 March 2021 amounts to approximately HK\$1,170,341,000.

## REASONS FOR THE SHARE SWAP

The entering into of the Share Swap Agreement will allow the Company and CA Cultural to become strategic alliance with a more significant shareholding stake in each other and will allow the Group and CA Cultural to share its experience and expertise in their respective industry.

As such, the Company considers that there is growth potential in CA Cultural Shares. The Share Swap Agreement represents an investment opportunity of the Company to invest in CA Cultural without cash outflow and will enhance the cooperation between the Company and CA Cultural.

The transaction involves the issuance of the CA Cultural Subscription Shares by CA Cultural to the Company (or its nominee) and the issuance of the FW Subscription Shares by the Company to CA Cultural (or its nominee). The Group intends to hold the CA Cultural Subscription Shares as a kind of treasury investment and be classified as available for sales investment in its statement of financial position and CA Cultural will not be regarded as an associate of the Company upon Completion.

As the CA Cultural Shares are listed on the Main Board of the Stock Exchange, the Group will be able to realise the investment in CA Cultural in the open market, which represent an efficient mean for the realisation of the investment in the CA Cultural Subscription Shares.

As the consideration for the CA Cultural Subscription Shares will be settled by the FW Subscription Shares, there will be no cash outflow on the part of the Company.

There will be no net proceeds from the FW Subscription as the consideration shall be settled by the issue of the CA Cultural Subscription Shares.

The Board considers that the terms and conditions of the Share Swap Agreement are reasonable and fair and in the interests of the Company and the Shareholders as a whole.

It is expected that the Share Swap will not have any significant impact on the revenue and profits of the Group. While the total assets and the net assets of the Group will increase as a result of the Share Swap and the existing Shareholders' shareholdings will be diluted as a result of the Share Swap, it is expected that the Share Swap will not have a material adverse impact on the business operations of the Group. The Board is of the view that the future prospects of the Group will not be affected by the Share Swap.

The Board considers that the terms and conditions of the Share Swap Agreement are fair and reasonable and are on normal commercial terms and the Share Swap Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As the relevant percentages exceed 5% but are less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Since completion of the Share Swap is subject to the fulfillment of the conditions as set out in the Share Swap Agreement, the Share Swap may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## MEMORANDUM OF UNDERSTANDING FOR STRATEGIC BUSINESS COOPERATION

The Board is pleased to announce that on 24 August 2021 (after trading hours), Castle King International Limited, a wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**Cooperation MOU**”) for strategic business cooperation (the “**Cooperation**”) with China Theme Park Limited, a wholly owned subsidiary of CA Cultural.

With a view to further promote the Group and the CA Cultural Group’s businesses, the parties to the Cooperation MOU (the “**Parties**”) agreed to utilize their respective resources, expertise and experience to explore various possible in-depth cooperation with each other, and it is intended that the Cooperation, subject to the terms and conditions of formal agreement(s) to be entered into, to consist of the following:

- (1) the Parties shall carry out a joint cooperation project (the “**Cooperation Project**”), where the respective interests of the Parties in the Cooperation Agreement to be agreed by the Parties, pursuant to which the Cooperation Project is expected to run indoor amusements and trendy market in the PRC under the brand of CA Sega Joypolis;
- (2) CA Cultural Group shall introduce and license relevant intellectual property rights and provide relevant management training, business plans and location recommendations for the Cooperation Project; and

- (3) the Group shall assist for funding of the Cooperation Project and shall in light of the needs of the Cooperation Project, introduce relevant resources such as e-commerce channels and multimedia resources for the operations of the Cooperation Project.

Save for the provisions of confidentiality and exclusivity, the Cooperation MOU shall create no legal and binding obligations on the Parties.

As at the date of this announcement, no definite terms on the actual scope of the Cooperation have been concluded among the Parties. In the event that the Parties fix the terms and scope for the Cooperation, formal agreement(s) will be entered into. Further announcement(s) will be made by the company as and when appropriate in compliance with the Listing Rules.

The Board considers that the Cooperation under the Cooperation MOU will allow the Group and CA Cultural Group to utilise their respective edges to develop the business and will maximize returns for the respective shareholders of the Company and CA Cultural.

## **DEFINITIONS**

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

|              |  |
|--------------|--|
| “AGM”        | the annual general meeting of the Company held and convened on 30 June 2021  |
| “associates” | has the meaning ascribed to this term under the Listing Rules  |
| “Board”      | the board of Directors   |
| “Company”    | Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange |
| “Completion” | completion of the Share Swap   |

|                                   |  |
|-----------------------------------|--|
| “connected person”                | has the meaning ascribed to this term under the Listing Rules  |
| “CA Cultural”                     | CA Cultural Technology Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued CA Cultural Shares are listed on the Main Board of the Stock Exchange |
| “CA Cultural Share(s)”            | ordinary share(s) of CA Cultural of HK\$0.10 each  |
| “CA Cultural Subscription”        | the subscription of the CA Cultural Subscription Shares by the Company or its nominee pursuant to the terms and conditions of the Share Swap Agreement   |
| “CA Cultural Subscription Price”  | the subscription price of HK\$2.38 per CA Cultural Subscription Share  |
| “CA Cultural Subscription Shares” | the 4,000,000 CA Cultural Shares to be allotted and issued by CA Cultural to the Company or its nominee pursuant to CA Cultural Subscription   |
| “Director(s)”                     | Director(s) of the Company   |
| “FW Subscription”                 | the subscription of the FW Subscription Shares by CA Cultural or its nominee pursuant to the terms and conditions of the Share Swap Agreement  |
| “FW Subscription Shares”          | the 95,000,000 Shares to be allotted and issued by the Company to CA Cultural or its nominee pursuant to FW Subscription   |
| “General Mandate”                 | the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the AGM                       |
| “Group”                           | the Company and its subsidiaries   |

|                                |  |
|--------------------------------|--|
| “Hong Kong”                    | Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules) |
| “Listing Rules”                | The Rules Governing the Listing of Securities on the Stock Exchange  |
| “Share(s)”                     | ordinary share(s) of HK\$0.02 each in the share capital of the Company   |
| “Shareholder(s)”               | holder(s) of the Share(s)  |
| “Share Swap”                   | together the FW Subscription and the CA Cultural Subscription  |
| “Share Swap Agreement”         | the conditional agreement dated 24 August 2021 and entered into between the Company and CA Cultural in respect of the Share Swap   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited  |
| “Subscription Price”           | the subscription price of HK\$0.10 per FW Subscription Share   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |

“%”

per cent.

By order of the Board  
**Future World Holdings Limited**  
**Liang Jian**  
*Chairman*

Hong Kong, 24 August 2021

*As at the date of this announcement, the Board comprises (i) seven executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Wang Fei and Mr. Yu Qingrui; and (ii) four independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.*