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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)**

## **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the annual report of the Company for the year ended 31 December 2021 (the “**Annual Report**”). Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Annual Report.

As disclosed in the Annual Report, the Group granted loans to 13 borrowers as at 31 December 2021 under its money lending business. Two of the borrowers are corporate borrowers and are listed companies in Hong Kong. The remaining 11 borrowers are individual borrowers and the loans were personal loans. Save for one individual borrower (the “**connected borrower**”) who is also a director of certain subsidiaries of the Company, all the other borrowers are third parties independent of and not connected with the Company and/or its subsidiaries. The annual interest rates for loans range from 5% to 7%. The grant of loan to the connected borrower is on normal commercial terms and the grant falls under the de minimis exemption under Chapter 14A of the Listing Rules.

Set out below is details of the loans as at 31 December 2021:

<b>Borrowers</b>	<b>Principal Amount</b>	<b>Tenure</b>	<b>Interest rate</b>	<b>Secured</b>
Personal Borrower A	8,500,000.00	19/8/2020-19/8/2022	6%	N
Personal Borrower B	6,000,000.00	31/8/2020-31/8/2022	6%	N
Personal Borrower C	8,000,000.00	4/9/2020-4/9/2022	6%	N
Personal Borrower D ( <i>Note</i> )	25,000,000.00	21/12/2020-21/12/2023	5%	Y
Personal Borrower E ( <i>Note</i> )	28,300,000.00	21/12/2020-21/12/2023	6%	Y
Personal Borrower F	5,300,000.00	8/4/2021-8/4/2023	6%	N
Personal Borrower G	3,000,000.00	1/6/2021-31/5/2024	6%	N
Personal Borrower H	4,000,000.00	2/6/2021-1/6/2024	5%	N
Personal Borrower I	4,250,000.00	7/12/2021-7/12/2023	6%	N
Personal Borrower J	2,500,000.00	23/12/2021-23/12/2023	6%	N
Personal Borrower K (the connected borrower)	1,500,000.00	30/12/2021-30/12/2023	6%	N
Corporate Borrower A	236,000,000.00	7/10/2020-31/12/2023	7%	N
Corporate Borrower B	10,000,000.00	8/1/2021-7/1/2024	7%	N

*Note:* The loans were secured by collaterals which are properties located in the PRC.

Globally Finance offered interest rate of 6% per annum for loan less than HK\$10 million, and an interest rate of 7% per annum for loan exceeding HK\$10 million (the “**Policy**”). The actual interest rate offered would be affected by a number of factors considered by Globally Finance including loan amount, availability of collaterals and the bank lending interest rate. In general, unsecured loan will result in higher interest rates and shorter loan term, whilst secured loans usually result in lower interest rate. Furthermore, the loan size would also be taken into consideration and in general, the interest rate would be higher for bigger loan size.

In respect of the loan granted to Corporate Borrower A, the revolving loan facility was originally granted in 2017 with interest rate at 8%, which was market rate at that time. The interest rate was reduced to 7% in 2020 after arm’s length negotiations taking into consideration of a number of factors, including the credit assessment, the loan amount and the bank lending rate at that time. Corporate Borrower A is a company listed on the Main Board of the Stock Exchange. The grant of loan to Corporate Borrower A was duly approved by the shareholders of the Company at the extraordinary general meeting held on 16 December 2022. As such, Globally Finance considers that whilst the loan amount granted to Corporate Borrower A is significantly higher than the other borrowers, the loan amount and the interest rate are justified.

Through the business and social network of the management of the Company, the Group would come across with different potential individual customers and also management of certain potential corporate customers. Referrals of borrowers from existing clients are also welcomed. As those persons knew that the Group operates money lending business, they might ask for the financing opportunity. The Group will then consider loan application on its credit policy and procedures to assess the loan application.

There is no specific industry requirement for the corporate customers. However, companies listed on the Main Board of The Stock Exchange of Hong Kong Limited are more favourable. Updated financial statements from corporate customers were required for the approval of loan. There is no specific industry background for the individual borrowers. However, through the network of the management, the individual borrowers were mainly merchants engaged in property investment industry. The Group requests the individual borrowers to have stable income, which should be free from any secured loan products (except self-residential mortgage) under other banks/financial institutions or unsecured loan products under financial institutions (except banks) by customers declaration.

Globally Finance, the subsidiary for the money lending business of the Group, has adopted credit policy and procedure as set out in the credit policy and procedure manual, which gives a clear guideline to grant the loan and enable the committee to assess the risks and financial position of the potential borrowers.

In assessing the credit application of the borrower, the following parameters must be reasonably taken into consideration:

- A) the amount of Globally Finance's potential financial exposure associated with the applicant;
- B) the repayment ability of the applicant;
- C) the security and/or collaterals provided; and
- D) others, e.g. external market condition, legal compliance etc.

The amount of Globally Finance's potential financial exposure associated with the applicant will be taken into account to consider the term and amount of the loan and also the interest rate. The applicant with better repayment ability will usually get better financing terms and less security and/or collaterals may be needed. In general, unsecured loan will result in higher interest rates and shorter loan term. The interest rate will also be affected by external market conditions, such as the bank lending interest rate.

All the money lending transactions to the borrowers are financed by the Group's internal funds.

The management committee of Globally Finance comprises 3 individuals as of 31 December 2021, which are senior management and/or directors of Globally Finance and two of them are also directors of the Company. All the loans are required to be approved by the management committee of Globally Finance.

The Company confirms that it has complied with the requirements set out in Chapters 14 and/or 14A of the Listing Rules when it granted the loans to each of the borrowers, whose loan(s) was still outstanding as at 31 December 2021.

Save for the grant of loan to the connected borrower as disclosed above, the Company has no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) was still outstanding as at 31 December 2021.

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

Hong Kong, 15 November 2022

*As at the date of this announcement, the Board comprises (i) eight executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Ms. Wang Qian, Mr. Yu Qingrui, Mr. Su Wei, Mr. Yuan Yifeng, Mr. Li Rui and Mr. Cheung Kit Shing; and (ii) three independent non-executive Directors, namely Mr. Chen Pei, Mr. He Yi and Mr. Guo Yaoli.*