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FUTURE MACHINE LIMITED

未來機器有限公司

(formerly known as “Sprocomm Intelligence Limited”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent to the Company



Imperium International Securities Limited

PROPOSED RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$140 million before expenses by way of the Rights Issue of 500,000,000 Rights Shares at the Subscription Price of HK\$0.28 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Assuming that there will be no change to the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issue, the maximum net proceeds from the Rights Issues (after deducting the estimated expenses) are estimated to be approximately HK\$138 million.

The Rights Shares (when allotted, issued, and fully paid) will rank *pari passu* in all respects with the existing Shares in issue. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made, or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis, irrespective of the level of acceptances of the provisionally allotted Rights Shares.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue to the Qualifying Shareholders.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Board proposes to raise gross proceeds of up to approximately HK\$140 million before expenses by way of the Rights Issue of 500,000,000 Rights Shares at the Subscription Price of HK\$0.28 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as the close of business on the Record Date
Subscription Price:	HK\$0.28 per Rights Share
Number of Shares in issue as at the date of this announcement:	1,000,000,000 Shares
Number of Rights Shares:	Up to 500,000,000 Rights Shares (assuming there is no change to the total issued share capital of the Company on or before the Record Date)
Gross proceeds from the Rights Issue:	Up to approximately HK\$140 million before expenses (assuming there is no change to the total issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

Assuming there is no change to the total issued capital of the Company on or before the Record Date, 500,000,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 50% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 33.33% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

As of the date of this announcement, the Company has no outstanding share options, warrants, options, convertible securities, or other similar rights that are convertible or exchangeable into Shares.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter with the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be the Non-Qualifying Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Friday, 1 August 2025.

Closure of register of members

The register of members will be closed from Monday, 4 August 2025 to Friday, 8 August 2025 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

Subscription Price

The Subscription Price of HK\$0.28 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 72.28% to the closing price of HK\$1.0100 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 72.28% to the closing price of HK\$1.0100 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 72.28% to the average closing price of approximately HK\$1.0100 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 63.48% to the theoretical ex-rights price of approximately HK\$0.7667 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$1.0100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.09%, which is calculated based on the theoretical diluted price of approximately HK\$0.7667 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement); and
- (vi) a discount of approximately 28.61% to the audited net asset value per Share of approximately HK\$0.3922 based on the latest audited consolidated net asset value Group of approximately RMB366.53 million (equivalent to approximately HK\$392.19 million) as at 31 December 2024 and the number of Shares in issue as at the date of this announcement (i.e. 1,000,000,000 Shares).

The Subscription Price was arrived at after arm's length negotiation with reference to, among other things, the prevailing market price of the Shares and the financial conditions of the Group.

As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued, and fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made, or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents are not intended to be, have not been, and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to participate in the Rights Issue.

According to the register of members of the Company as of the date of this announcement, the Company had a total of 7 Overseas Shareholders holding an aggregate of 68,500,000 Shares, representing approximately 6.85% of the total number of the issued Shares, all of which has his/her/its addresses registered in the PRC and BVI.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made inquiries regarding extending the Rights Issue to the Overseas Shareholders with registered addresses in the jurisdictions above.

The Company has obtained legal advice from legal advisers in the PRC and BVI and has been informed that, according to the relevant legislation in the PRC and BVI, there are no regulatory restrictions or requirements from any regulatory body or stock exchange regarding the extension of the Rights Issue to Overseas Shareholders in the relevant jurisdiction.

It is the responsibility of the Shareholders, including the Overseas Shareholders, wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered addresses in the PRC and BVI, who are, therefore, Qualifying Shareholders. As such, based upon the register of members of the Company as of the date of this announcement, there was no Non-Qualifying Shareholder.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on a pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

No fractional entitlement

On the basis of the entitlement to subscribe one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 2,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) SFC transaction levy and (iv) any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 6 October 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Monday, 6 October 2025 by ordinary post at the respective Shareholders' own risk.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Unsubscribed Arrangements. Any Unsubscribed Rights Shares that remain not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules.

Procedures in respect of the Unsubscribed Rights Shares and the Unsubscribed Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 23 July 2025, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Thursday, 18 September 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares that are not placed will not be issued by the Company, and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

The Placing Agreement

Principal terms of the Placing Agreement are summarised as below.

Date : 23 July 2025

Issuer : The Company

Placing Agent : Imperium International Securities Limited

As at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period : The period from Tuesday, 2 September 2025 up to 4:00 p.m. on Thursday, 18 September 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.

Placing Price : The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.

Placing Commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 1.0% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which the Placing Agent successfully places.

- Placees : The Placees shall be any individual, corporate, institutional and other investors. The Placing Agent shall ensure that the Placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.
- Ranking of the Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of completion of the Placing.
- Conditions Precedent of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares including the Unsubscribed Rights Shares;
 - (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
 - (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and
 - (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the conditions (other than those set out in paragraphs (i) (ii) and (iv) above) by notice in writing to the Company.

In the event that the above condition precedents have not been fulfilled or waived on or before the Long Stop Date (as defined below), all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other party in respect of the Placing (save for any antecedent breaches thereof).

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

- Termination :
- The Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to 4:00 p.m. on Tuesday, 23 September, 2025 (the **“Latest Time for Termination”**), to terminate the Placing Agreement, if, prior to the Latest Time for Termination:
- (a) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (i) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

- (iii) occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares (for more than ten (10) consecutive trading days) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (iv) any adverse change in the business or in the financial or trading position of any members of the Group, which in the reasonable opinion of the Placing Agent, is material in the context of the Placing; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or
- (c) any material breach of any of the representations and warranties by the Company that comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations and warranties untrue or incorrect in any material respect, or there has been a material breach by the Company of any other provision of the Placing Agreement.

Upon the giving of such notice as referred to above by the Placing Agent, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party, save for any prior breaches of the Placing Agreement.

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1) (b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

- (1) the delivery to the Stock Exchange and the filing and registration with the Registrar in Hong Kong respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having being approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (2) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (3) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (4) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (5) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Wednesday, 24 September 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Assuming that there will be no change to the total issued share capital of the Company on or before the Record Date and full acceptance of the Rights Issue, the maximum net proceeds from the Rights Issues (after deducting the estimated expenses) (the “**Net Proceeds**”) are estimated to be approximately HK\$138 million (equivalent to a net price of approximately HK\$0.276 per Rights Share).

The Directors intend to allocate the Net proceeds as follows:

- (i) approximately 57.2% of the Net Proceeds, or approximately HK\$79 million, will be allocated to address the genuine findings needs of the Group’s mobile phone and related products business, in particular, for the additional working capital required to complete new business contracts entered into by the Group in the first quarter 2025. The Company is responsible for the research and development, product design, manufacturing, and sales of mobile phones and related products;
- (ii) approximately 8.7% of the Net Proceeds, or approximately HK\$12 million, will be allocated to expanding production lines, enhancing workforce capacity, and advancing research and development initiatives of the Group’s mobile phone and related products business;
- (iii) approximately 3.6% of the Net Proceeds, or approximately HK\$5 million, will be allocated to expanding the Group’s automobile business;
- (iv) approximately 1.5% of the Net Proceeds, or approximately HK\$2 million, will be allocated to enhance the Group’s Enterprise Resource Planning (“**ERP**”) system;
- (v) approximately 14.5% of the Net Proceeds, or approximately HK\$20 million, for general working capital and general corporate purposes; and
- (vi) approximately 14.5% of the Net Proceeds, or approximately HK\$20 million, will be allocated for selected mergers, acquisitions, and strategic investments, with a particular focus on exploring potential opportunities in the artificial intelligence sector. While no specific targets are currently under negotiation, the Company continues to actively identify and evaluate businesses that may complement its existing operations and align with its long-term strategic objectives.

The Group's genuine funding needs for its mobile phone and related products business

The Group is an original design manufacturer (ODM) mobile phone supplier located in the PRC. Its operations focus primarily on research and development, design, manufacturing, and sales of mobile phones and related products. Additionally, the Group produces printed circuit board assemblies (PCBAs) for mobile phones and related products on an ODM basis.

The Directors would like to emphasise that the Group's core business has remained consistent since its initial public offering. The operations are based on thorough market research, which allows the Group to create mobile phones that align with its clients' expectations. The Group's research and development team is dedicated to designing both hardware and software components, providing a diverse range of models that cater to customer preferences.

New products and features are systematically introduced through meetings, direct communication, and participation in international exhibitions, allowing the Group to engage effectively with both existing and prospective clients. Following the confirmation of orders, the Group initiates mass production, which includes the internal manufacturing of PCBAs and the procurement of essential components, such as integrated circuits and display modules, from reputable third-party electronic manufacturing service providers.

Final assembly is conducted by the Group, with rigorous quality control measures implemented across all production sites to ensure product excellence. Upon completion, finished products are delivered to customers or their designated agents for distribution. The Group primarily serves clients in the PRC while also maintaining a presence in international markets, with key clients located in India and the United States. These clients are responsible for selling products within their respective regional markets.

In the first half of 2025, the Group successfully secured new purchase orders and framework agreements in relation to mobile phone and related products from various customers. These agreements are anticipated to generate an estimated revenue increase of approximately RMB600 million for the year ending 31 December 2025. Based on the historical gross profit margin, the Group expects to incur costs totaling at least RMB500 million in conjunction with this projected revenue growth.

Currently, the Group relies on its internal resources and debt financing to support its business operations. To maintain a competitive edge, the Group must sustain a high level of working capital, which facilitates smooth operations and meets the growing demand for its products. The Group typically requires capital to procure raw materials and components from suppliers in a timely manner and offers extended credit terms to downstream customers. However, this approach can lead to mismatches between trade receivable and trade payable turnover days. Specifically, the credit period extended to customers is generally 90 days, while the credit terms received from suppliers range from 30 to 60 days. As a result, there is a timing mismatch between the Group's payments to suppliers and the receipts from customers, which creates a funding gap of approximately one to two months within this business cycle.

To bridge this gap and fulfill the new business orders, the Group plans to allocate approximately HK\$79 million from the Net Proceeds to meet essential working capital requirements. The remaining balance of approximately RMB421 million required to support production and operations in connection with these new orders is expected to be covered gradually by the Group's ongoing cash flows generated from mobile and related product sales throughout the year. This reflects the Group's established operating model, under which working capital is recovered progressively through customer payments throughout the credit period.

As of 31 December 2024, the Group's bank balances and cash amounted to approximately RMB79.4 million. Additionally, deposits of approximately RMB2,127.30 million were pledged to banks to secure the issuance of bank acceptance bills. These bills are used to settle the Group's outstanding purchase obligations to suppliers and associates, financing internal production activities, including cost for raw materials, labor, and manufacturing-related expenses. Due to the collateral nature of these pledged bank deposits are restricted and not available for immediate operational use. To meet the working capital requirements necessary for ongoing production, the Group relies on banking facilities, which has resulted in significant financing costs and an increased gearing ratio. Given the operational scale for the year ended 31 December 2024, the average monthly operating costs, including selling and administrative expenses, are estimated to be not less than approximately RMB26 million. Therefore, the Group's available cash resources are sufficient to cover approximately three months of operations, indicating a need for additional funding to support both the timing gap and the increased production scale associated with the newly secured orders.

Expand production lines, increase workforce, and enhance research and development capabilities of the Group's mobile phone and related products business

The Directors would like to emphasise that manufacturing mobile phones and related products on an ODM basis is a capital-intensive venture. The Group must dedicate significant resources to support research and development initiatives. The Directors are confident that by ensuring sufficient production capacity and strong research and development capabilities, the Company will be well-positioned to capitalise on potential growth in this sector.

To achieve this, the Group has conducted a comprehensive analysis and plans to invest in additional production lines, with a total projected expenditure of no less than RMB6 million (i.e. approximately RMB1 million for each line). Furthermore, the Group intends to recruit at least 80 additional staff members to support the operation of these new production lines. Consequently, the Group anticipates allocating approximately RMB5 million to facilitate this expansion.

Producing PCBAs in-house is more cost-effective than subcontracting this work. Moreover, in-house production provides better control over the production schedule. As a result, the Directors strongly believe that increasing production capacity and enhancing operational capabilities will lead to improved cost efficiency and overall production effectiveness.

Expand the production line of the Group's automobile business

In addition to the Group's mobile phone operations, the Group has expanded into the automobile sector, a venture that began in 2022. The Group currently operates one production line dedicated to automobile manufacturing, which has a monthly capacity of approximately 4,000 units. Of this capacity, 60% is used for processing orders from outsourcing clients generating processing fees, while the remaining 40% is dedicated to the production of the Group's own products.

In 2025, the Group forecasts significant growth in its automobile business. Accordingly, the existing production capacity will not be sufficient to meet the projected demand. In response to this anticipated market need, the Group is planning to enhance its production capabilities by establishing additional production line. The estimated investment required for the acquisition of the necessary machinery and equipment for this new lines is approximately RMB1 million.

Additionally, the Group plans to hire a total of 15 personnel, including staff for research and development and sales and marketing, to support this expansion of production. Establishing the new production lines is anticipated to increase the Group's annual revenue by approximately RMB70 million.

Enhancement of the Group's ERP system

To enhance the Group's management capabilities and overall operational efficiency, the Directors intend to allocate a portion of the Net Proceeds towards upgrading the Group's computer hardware, design software, and ERP system. This investment aims to optimise the integration of essential functions, including product design, cost management, budgeting, procurement, production planning, inventory monitoring, quality control, and financial reporting.

As the business continues to grow, the Directors believe that these enhancements will promote production efficiency and improve customer satisfaction and empower the management team to develop strategic plans, respond swiftly to market changes, and effectively monitor business implementation. This strategic approach will enable the Group to maintain a competitive edge in the industry.

Other fundraising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fundraising alternatives such as bank borrowings, placing, or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security, creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without allowing them to participate in the exercise. The Directors consider that over-reliance on debt financing would expose the Group to a huge liquidity risk, especially when there are any unforeseen economic downturns and the additional finance costs would also affect the Group's financial performance. Unlike an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will allow the Qualifying Shareholders to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Considering the abovementioned alternatives, the Directors consider raising funds through the Rights Issue more attractive in the current market condition. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position while allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

If the proceeds raised by the Rights Issue or Placing is less than the aforesaid estimated net proceeds of approximately HK\$138 million, the Company will allocate the use of proceeds proportionately and will further evaluate options including, amongst others, reducing the proposed investment amount or exploring other financing, and/or fundraising alternatives. The Group is focused on improving its profitability.

As at the date of this announcement, save as disclosed in this announcement, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months; and (iii) the Company does not have any concrete fundraising plan for the upcoming 12 months.

Conclusion

After taking into account the expected cash to be utilised in operating activities, and to ensure the Group has sufficient financial resources to meet its upcoming financial obligations, the Directors are considering raising an additional fund which they believe is in the best interest of the Company and its Shareholders.

FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately prior to the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Rights Issue, which are for illustrative purposes only.

Below is the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after Completion assuming all Qualifying Shareholders will take up their respective entitlements of the Rights Issue in full, and there is no change to the total issued share capital of the Company on or before the Record Date (“**Scenario 1**”); and (iii) immediately after Completion assuming none of the Qualifying Shareholders will take up their respective entitlements of the Rights Shares and all the Unsubscribed Rights Shares will be successfully placed by the Placing Agent under the Placing, and there is no change to the total issued share capital of the Company on or before the Record Date (“**Scenario 2**”).

Shareholders	As of the date of this announcement		Scenario 1		Scenario 2	
	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>
Leap Elite Limited (<i>Note 1</i>)	204,967,204	20.50%	307,450,806	20.50%	204,967,204	13.66%
Beyond Innovation Limited (<i>Note 2</i>)	140,032,056	14.00%	210,048,084	14.00%	140,032,056	9.34%
The Placees	–	–	–	–	500,000,000	33.33%
Public Shareholders	655,000,740	65.50%	982,501,110	65.50%	655,000,740	43.67%
Total	1,000,000,000	100.00%	1,500,000,000	100.00%	1,500,000,000	100.00%

Notes:

1. Leap Elite Limited is legally owned as to 100% by Mr. Li Chengjun, who is an executive Director, chairman and chief executive officer of the Company, for the beneficiaries of the family trust found by himself.
2. Beyond Innovation Limited is legally owned as to 100% by Mr. Xiong Bin, who is an executive Director and vice chairman of the Company, for the benefit of the beneficiaries of the family trust found by himself.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue and the Placing set out below is for indicative purposes only, and it has been prepared on the assumption that all the conditions of the Rights Issue and the Placing will be fulfilled.

Events	Date and Time
Last day of dealings in the existing Shares on a cum-rights basis	Wednesday, 30 July 2025
First day of dealings in the existing Shares on an ex-rights basis relating to the Rights Issue	Thursday, 31 July 2025
Latest time for lodging transfers of existing Shares to qualify for the Rights Issue	4:30 p.m. on Friday, 1 August 2025
Closure of register of members of the Company for determination of entitlements to the Rights Issue	Monday, 4 August 2025 to Friday, 8 August 2025 (both dates inclusive)
Record Date for the Rights Issue	Friday, 8 August 2025
Register of members of the Company re-opens	Monday, 11 August 2025
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only.	Monday, 11 August 2025
First day of dealings in nil-paid Rights Shares	Wednesday, 13 August 2025

Events	Date and Time
Latest time for splitting of PAL.	4:30 p.m. on Friday, 15 August 2025
Last day of dealings in nil-paid Rights Shares.	Wednesday, 20 August 2025
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Monday, 25 August 2025
Latest time for lodging transfer documents of nil-paid Rights Shares to qualify for the payment of Net Gain.	4:00 p.m. on Monday, 25 August 2025
Announcement of the number of Unsubscribed Rights Shares subject to the Unsubscribed Arrangements	Monday, 1 September 2025
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent	Tuesday, 2 September 2025
Placing Long Stop Date	Tuesday, 23 September 2025
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company	Friday, 3 October 2025
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Monday, 6 October 2025
Despatch of refund cheques, if any, if the Rights Issue is terminated	Monday, 6 October 2025
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 8 October 2025
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Tuesday, 14 October 2025

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” are caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not occur on the currently scheduled date, the dates mentioned in the section headed “Expected timetable of the Rights Issue” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders’ approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

GENERAL

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue to the Qualifying Shareholders.

The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under to the Listing Rules
“Board”	the board of Directors

“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Company”	Future Machine Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1401)
“Completion”	completion of the Rights Issue and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Last Trading Day”	23 July 2025, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement

“Latest Time for Acceptance”	4:00 p.m. on 25 August 2025 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the Placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Unsubscribed Arrangements
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement

“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Imperium International Securities Limited, a licensed corporation (CE No.: AVI905) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 23 July 2025 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure placees on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Long Stop Date”	Tuesday, 23 September 2025, or such other date as may be agreed between the Company and the Placing Agent in writing as the latest date for the satisfaction of the conditions precedent under the Placing Agreement
“Placing Period”	the period from Tuesday, 2 September 2025 up to Thursday, 18 September 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	the placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price, and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	Monday, 11 August 2025 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	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
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue

“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholders”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 8 August 2025, (or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date, being 500,000,000 Existing Shares based on the Company’s issued share capital
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.28 per Rights Share
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“%”	per cent.

By Order of the Board
Future Machine Limited
Mr. Li Chengjun
Chairman and Executive Director

Hong Kong, 23 July 2025

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan, Mr. GUO Qinglin, Mr. HE Wenyuan and Mr. CHAN Hoi Shu, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen, Mr. CHING Khei Cheong Christopher, and Ms. WANG Huihui.