

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



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 TRANSACTIONS IN RELATION TO
THE DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY AND
THE ASSIGNMENT OF INTERCOMPANY LOANS**

THE SALES AND PURCHASE AGREEMENT

The Board is pleased to announce that, on 15 April 2024 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and procure the lenders of the Intercompany Loans to assign the benefit of the Intercompany Loans to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Share and take assignment of the Intercompany Loans at a consideration of HK\$38,000,000, subject to adjustments. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios of the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

INTRODUCTION

The Board is pleased to announce that, on 15 April 2024 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and procure the lenders of the Intercompany Loans to assign the benefit of the Intercompany Loans to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Share and take assignment of the Intercompany Loans, at a consideration of HK\$38,000,000, subject to adjustments. Upon Completion, the Target Company will cease to be subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

The principal terms of the Sales and Purchase Agreement are summarised as follows:

THE SALES AND PURCHASE AGREEMENT

Date 15 April 2024 (after trading hours)

Parties (1) the Vendor (as vendor); and
(2) the Purchaser (as purchaser).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

Subject matter

The Vendor has conditionally agreed to sell and procure the lenders of the Intercompany Loans to assign, and the Purchaser has conditionally agreed to acquire the Sale Share and take assignment of, the Sale Share and the Intercompany Loans at a total consideration of HK\$38,000,000, subject to adjustments.

Considerations and payment terms

The Consideration of HK\$38,000,000 was arrived at after arm's length negotiations between the Vendor and the Purchaser, having taken into account, among others, (i) prevailing market conditions and the appraised market value of the Property of HK\$38,500,000 as at 15 April 2024 under the valuation report prepared by an independent professional third party valuer (based on market approach with reference to the market prices of comparable properties) engaged by the Vendor; and (ii) the financial position of the Target Company as mentioned in the section headed "Information on the Target Company" for further information on the financial position of the Target Company.

Payment of the Consideration shall be paid by the Purchaser in the following manner:

- (a) HK\$1,000,000 shall be paid on the date of the Sales and Purchase Agreement;
- (b) HK\$10,000,000 shall be paid on or before 30 June 2024;
- (c) HK\$10,000,000 shall be paid on or before 31 August 2024; and
- (d) the balance of the Consideration shall be paid on the Completion Date.

Adjustments to Consideration

The Vendor shall deliver to the Purchaser the draft Completion Management Accounts not less than five Business Days prior to Completion. The Consideration shall be adjusted in the manner as follows if the NTAV as at the Completion Date is not zero:

- (1) it shall be added to the balance of the Consideration all current tangible assets of the Company as shown in the draft Completion Management Accounts (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid Government Rent, rates, management fee and other expenses relating to the Property (up to and inclusive of the Completion Date); and
- (2) it shall be deducted from the balance of the Consideration all liabilities of the Company as shown in the draft Completion Management Accounts (other than the Intercompany Loans).

The Vendor undertakes to deliver to the Purchaser or the Purchaser's solicitors within 30 days from the Completion Date the Completion Audited Accounts. If the NTAV as shown in the Completion Audited Accounts is more or less than the NTAV as shown in the Completion Management Accounts, the Purchaser or the Vendor (as the case may be) shall pay the difference to the other party within five days from the date of receipt of the Completion Audited Accounts.

Conditions precedent

Pursuant to the Sales and Purchase Agreement, Completion is conditional upon the following conditions being fulfilled (or waived by the Purchaser, if any):

- (1) the Vendor is the sole and beneficial owner of the Sale Share and the Intercompany Loans are free from any Encumbrance and third party rights;
- (2) (i) the Target Company remaining as the sole and beneficial owner of the Property free from any Encumbrance; and (ii) the Vendor has showed and proven and given a good title of the Target Company to the Property in accordance with Section 13 and Section 13A of the Conveyancing and Property Ordinance (Chapter 219 Laws of Hong Kong);

- (3) the Purchaser having completed his due diligence review on the business, financial, legal and all other aspects of the Target Company and reasonably satisfied with the results thereof;
- (4) the Purchaser, the Vendor and the lenders of the Intercompany Loans signed a deed of assignment in favour of the Purchaser to assign to the Purchaser all rights, title, interest, benefit and advantage in and under the Intercompany Loans at Completion;
- (5) all necessary licence, consent, approval, authorisation, permission, waiver, order, exemption, qualification, registration, certificate, authority or other approval required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the transactions contemplated thereunder having been obtained, remaining in full force and effect and not being revoked; and
- (6) the warranties remaining true and accurate and not misleading in any material respect at Completion as if repeated at Completion and as at the date of this Agreement.

The Vendor shall use its best endeavours to meet and answer requisitions raised by the Purchaser upon its due diligence review and investigation and if the conditions have not been fulfilled (or as the case may be waived by the Purchaser) through no fault on the part of the Vendor on or before the Completion Date (or such other date as the Parties may agree), the provisions of this Agreement shall from such date have no effect and no Party shall have any liability under them (without prejudice to the rights of any of the Parties in respect of antecedent breaches). The Vendor shall forthwith (in any event not later than 7 days from the date of termination of the Sales and Purchase Agreement) return the deposits, being, to the extent that has been paid, the first three installments of the Consideration in the aggregate amount of HK\$21,000,000, to the Purchaser.

Completion

According to the Sales and Purchase Agreement, subject to fulfilments (or waiver) of the conditions precedent on or before the Completion Date and the payment of the Consideration in full, Completion shall take place on the Completion Date.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability on 19 February 2021 principally engaged in investment holding. As at the date of this announcement, it is wholly-owned by the Vendor.

The Target Company is the legal and beneficial owner of the Property, comprising the land of the Remaining Portion of Kowloon Inland Lot No. 3250 and the building erected thereon known as No. 20 Kwun Chung Street Kowloon, together with the sole and exclusive right and privilege to hold use occupy and enjoy the ground floor inclusive of the yard thereof and the flat roof thereabove of the building. The Property is the only significant assets of the Target Company.

Below is a summary of the audited financial information of the Target Company prepared in accordance with generally accepted accounting principles in Hong Kong for the two years ended 31 December 2023:

	For the year ended 31 December 2023 (audited) HK\$'000	For the year ended 31 December 2022 (audited) HK\$'000
Net loss before taxation	(317)	(802)
Net loss after taxation	(317)	(802)

The audited net liabilities of the Target Company was approximately HK\$2,206,000 which includes the Intercompany Loans of approximately HK\$41,429,000 as at 31 December 2023. The Property was valued at HK\$38,500,000 as at 15 April 2024.

INFORMATION ON THE VENDOR AND THE PURCHASER

The Vendor is a company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of the Company and principally engaged in investment holding.

The Purchaser is an investor and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

Based on the management accounts of the Target Company as at the date of the announcement, it is estimated that the Group will record a loss of approximately HK\$497,000 from the Disposal. The aforesaid estimation is for illustrative purpose only and does not purport to represent the financial position of the Group after the Completion. The actual financial effect in connection with the Disposal will be assessed after the Completion and is subject to review and final audit by the Company's auditors.

The net proceeds of the Disposal is estimated to be approximately HK\$37,850,000 (subject to adjustments), which will be applied for future business development of the Group and general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The Group has been continuously optimise its property investment portfolio. After a regular review of the its investment portfolio, the Group is of the view that the Property has limited chances of substantial value appreciation. Therefore, the Board is of the view that the Disposal enables the Group to monetise the value in its investment in the Property and enhance the financial flexibility of the Group. The Disposal will release net proceeds of approximately HK\$37,850,000 (subject to adjustments) to the Group for general working capital, and save up additional reserve for backing up its investment opportunities in the future.

In view of the above, the Directors are of the view that the Sales and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios of the Transaction are more than 5% but all applicable percentage ratios are less than 25%, the Transaction constitutes a discloseable transactions of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday), on which banks are open in Hong Kong to the general public for business

“Company”	Future World Holdings Limited (未來世界控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on Main Board of the Stock Exchange (stock code: 572)
“Completion”	completion of the Sales and Purchase Agreement
“Completion Audited Accounts”	the audited accounts of the Target Company as at the Completion Date prepared and signed by a Certified Public Accountant in accordance with the generally accepted accounting principles of Hong Kong
“Completion Date”	31 October 2024 or such other date as agreed by the Parties in writing
“Completion Management Accounts”	the unaudited management accounts of the Target Company as at the Completion Date consisting of a profit and loss account and a balance sheet with a breakdown of the assets and liabilities of the Target Company duly certified as true and correct by a director of the Target Company
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	HK\$38,000,000, being the consideration for the Sale Share and the Intercompany Loans, subject to adjustments
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share, and assignment of the Intercompany Loans, to the Purchaser pursuant to the terms of the Sales and Purchase Agreement
“Encumbrances”	any charge, claim, third party right, equitable interest, lien, option, pledge, security interest, right of first refusal, or similar restriction of any kind (including any restriction on use, voting, transfer, receipt of income, or exercise of any other ownership interest)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Intercompany Loans”	the non-interest bearing and unsecured loans provided by the Company and a subsidiary of the Company to the Target Company in the aggregate carrying amount of approximately HK\$41,981,000 as at the date of the Sales and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NTAV”	the aggregate of all tangible assets of the Target Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Intercompany Loans) and provisions of the Target Company
“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
“Property”	the property owned by the Vendor in Hong Kong
“Purchaser”	Mr. Lee Sai Cheung Ken (李世章)
“Sale Share”	one share of the Target Company, being all the issued share in the Target Company
“Sales and Purchase Agreement”	the sales and purchase agreement entered into between the Vendor and the Purchaser on 15 April 2024 in respect of the disposal of the Sale Share and the assignment of the Intercompany Loans
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Topsky Eagle Limited (天鷹有限公司), an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Vendor”	Alpha Idea Holdings Limited (美意控股有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 15 April 2024

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