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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)**

**POSSIBLE VERY SUBSTANTIAL DISPOSAL  
MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES**

**THE POSSIBLE DISPOSAL(S) AND THE FURTHER DISPOSAL  
MANDATE**

The Company proposes to seek approval for the Further Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of up to 1,111,230,000 CMBC Shares, representing approximately 2.33% of the total issued share capital of CMBC as at the date of this announcement, during the Mandate Period.

**IMPLICATIONS UNDER THE LISTING RULES**

Assuming that all the 1,111,230,000 CMBC Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s) will exceed 75%, the Disposal(s) will constitute very substantial disposal on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Further Disposal Mandate and the Disposal(s) to allow the Company to dispose of up to 1,111,230,000 CMBC Shares held by the Group during the Mandate Period.

The Company will despatch the circular containing, among others, (i) further details of the Further Disposal Mandate and the Disposal(s), and (ii) the notice of EGM as soon as possible in compliance with the Listing Rules.

**There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Further Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.**

## **BACKGROUND**

Reference is made to the circular of the Company dated 16 July 2020 in relation to the grant of the Existing Disposal Mandate to dispose up to 476,000,000 CMBC Shares. As at the date of this announcement, the Group has disposed 473,200,000 CMBC Shares with average disposal price of HK\$0.102 per CMBC Shares under the Existing Disposal Mandate. As at the date of this announcement, the Group, through the Seller, remains beneficially held 1,114,030,000 CMBC Shares, representing approximately 2.34% of the total issued share capital of CMBC as at the date of this announcement.

The Company intends to utilize the Existing Disposal Mandate to dispose the remaining 2,800,000 CMBC Shares. In respect of the remaining 1,111,230,000 CMBC Shares, the Company intends to seek the Further Disposal Mandate to dispose of up to 1,111,230,000 CMBC Shares (except those CMBC Shares to be disposed under the Existing Disposal Mandate).

## **THE POSSIBLE DISPOSAL(S) AND THE FURTHER DISPOSAL MANDATE**

Given the volatility of the stock market, disposing shares at the best possible prices requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of CMBC Shares. To allow flexibility in effecting future disposals of CMBC Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Further Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of up to 1,111,230,000 CMBC Shares (except those CMBC Shares to be disposed under the Existing Disposal Mandate), representing approximately 2.33% of the total issued share capital of CMBC as at the date of this announcement, during the Mandate Period.

As at the date of this announcement, the Group, through the Seller, beneficially owns 1,114,030,000 CMBC Shares, representing approximately 2.34% of the total issued share capital of CMBC as at the date of this announcement. Depending on the prevailing market conditions, the Seller may dispose of up to 2,800,000 the CMBC Shares in tranches from time to time under the Existing Disposal Mandate during the Existing Mandate Period and up to 1,111,230,000 CMBC Shares under the Further Disposal Mandate during the Mandate Period. The mandate period for the Existing Disposal Mandate shall expire on 4 August 2021, i.e. twelve months after approval by the Shareholders at the extraordinary general meeting of the Company held on 4 August 2020. For the avoidance of doubt, the Existing Disposal Mandate shall be terminated upon the approval of the Further Disposal Mandate at the EGM.

The Further Disposal Mandate shall be conditional upon the approval by the Shareholders at the EGM.

### **Details of the Further Disposal Mandate**

The Further Disposal Mandate to be sought from the Shareholders at the EGM will be on the following terms:

#### ***1. Mandate Period***

The Further Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the EGM.

## **2. *Maximum number of CMBC Shares to be disposed***

The Further Disposal Mandate shall authorise and empower the Board to sell up to 1,111,230,000 CMBC Shares held by the Group, representing approximately 2.33% of the total issued share capital of CMBC as at the date of this announcement.

## **3. *Scope of Authority***

The relevant designated Directors shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposal(s), including but not limited to the number of batches of Disposal, the number of CMBC Shares to be sold in each Disposal and the timing of each Disposal.

## **4. *Manner of Disposal(s)***

The Disposal(s) shall be conducted (i) in the open market on the Stock Exchange to Independent Third Party(ies) through the trading system of the Stock Exchange; and/or (ii) in the off-market by directly entering into contract note(s) or through block trades by entering into placing agreements, to dispose of, in part or in whole, the Approved Sale Shares to third party purchaser(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies). As at the date of this announcement, there is no potential purchaser who has indicated its intention to make the purchase CMBC Shares from the Group.

The selling price of the CMBC Shares shall be at the then market price(s) of CMBC Shares at the relevant material time, provided that:

- (i) each Disposal in the open market or in the off market shall be at market price of no more than 20% discount to the average of the closing price as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Disposal during the Mandate Period; and
- (ii) the Minimum Selling Price of the Disposals shall be no less than HK\$0.055 per CMBC Share.

The maximum 20% discount to the average of the closing price of CMBC Shares for the five (5) consecutive trading days immediately prior to the date of the relevant Disposal(s) represents the range of discounts to the referenced closing price which the Company may consider in the exercise of the Further Disposal Mandate, having regard to the then prevailing share price performance of CMBC and market sentiment. Whilst the Company will exercise its endeavours to dispose of the CMBC Shares at the best available price to the Company, the proposed discount to the average of the closing price of CMBC Shares would allow the Company to have flexibility to dispose of the CMBC Shares within a reasonable price range in the event that the market sentiment is not favourable. The disposal(s) of the CMBC Shares shall be subject to approval by at least one of the executive Directors of the Company.

The Minimum Selling Price was determined with reference to the net asset value per CMBC Share of approximately HK\$0.055 per CMBC Share.

Based on the closing price of CMBC Shares in the past one year immediately before the date of this announcement, the highest closing price is HK\$0.183 and the lowest closing price is HK\$0.1 and the average closing price is approximately HK\$0.129. The highest daily trading volume of CMBC Shares was 2,284,018,000 CMBC Shares while the lowest daily trading volume of CMBC Shares was 2,300,000 CMBC Shares and the average trading volume for the past one year of CMBC Shares was approximately 125,000,000 CMBC Shares. The total number of 1,111,230,000 CMBC Shares to be disposed under the Disposal Mandate represents approximately 8.9 times of the average daily trading volume of CMBC Shares. In order to make the CMBC Shares held by the Group to be more attractive in block trade, the Directors consider that it is fair and reasonable for the Company to offer certain percentage of discount to the market price. Using the average of the five days closing price of CMBC Shares of approximately HK\$0.1006 per CMBC Shares immediately before the date of this announcement, if the CMBC Shares are sold at 20% discount to the average of the five days closing price of CMBC Shares, the proposed selling price is approximately HK\$0.0805. Hence, the Directors consider the proposed discount of 20% to the 5-day average closing price immediately before the date of each Disposal is fair and reasonable.

The Company further considers that the Minimum Selling Price will allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the CMBC Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

The proposed discount of 20% to the 5-day average closing price of CMBC Shares will allow flexibility of the Group in disposing of the CMBC Shares promptly and the Minimum Selling Price, which is equivalent to the net asset value per CMBC Share, will safeguard the interests of the Company that the CMBC Shares would not be disposed at a significant discount. Whilst the Company will exercise its endeavours to dispose of the CMBC Shares at the best available price to the Company, it is necessary for the Further Disposal Mandate to maintain flexibility. For instance, in the event that the market sentiment and the global economy are not favourable, there would be circumstances that the Company may have to dispose the CMBC Shares at a discount to the previous market price. The 20% discount range has taken into consideration of market fluctuations and the disposal(s) of the CMBC Shares under the Further Disposal Mandate shall be subject to approval by at least one of the executive Directors of the Company to ensure that the disposal of the CMBC Shares would be at the best available price to the Company as at the time of relevant disposal(s). As such, the Company considers that the terms of the Further Disposal Mandate are fair and reasonable.

## **5. *Compliance***

The Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong. The Group will also report on the progress of the Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules.

The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Disposals in the event that the Disposals cannot be completed within the Further Disposal Mandate.

## **6. *The Minimum Selling Price***

The Minimum Selling Price of HK\$0.055 per CMBC Shares represents:

- (a) a discount of approximately 46.08% to the closing price of HK\$0.102 per CMBC Shares as quoted on the Stock Exchange on the Last Trading Day; and
- (b) equal to net asset value per CMBC Share of approximately HK\$0.055 per CMBC Shares based on the audited net asset value of CMBC as at 31 December 2020 and 47,617,977,729 CMBC Shares in issue.

The Minimum Selling Price was determined with reference to (i) the net asset value per CMBC Share; (ii) the market performance of CMBC as quoted on the Stock Exchange for the past twelve months; and (iii) the prevailing market conditions and the uncertainty of global economy in light of the COVID-19 outbreak. The Directors consider that the Minimum Selling Price will allow flexibility for the Company to accommodate fluctuation in the market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to the Company to dispose of the CMBC Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

The Seller will effect the Disposal(s) in the open market or in the off market which include either directly entering into contract note(s) with independent third party purchaser(s) or through block trades by entering into placing agreements with a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO as placing agents. For any block trade, the terms and conditions of the sale would be negotiated on an arm's length basis. It is expected that the purchasers of the CMBC Shares and their respective ultimate beneficial owners will be Independent Third Parties. In the event that any purchaser of the CMBC Shares is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INFORMATION ON CMBC

CMBC is a company incorporated in Bermuda with limited liability which together with its subsidiaries are principally engaged in the business of brokerage and related services, securities investment and provision of finance as at the date of this announcement. CMBC is a company listed on the main board of the Stock Exchange (stock code: 1141).

The following information is extracted from the 2020 annual results announcement of CMBC for the two years ended 31 December 2020:

	Year ended 31 December 2019 <i>HK\$'000</i>	Year ended 31 December 2020 <i>HK\$'000</i>
Revenue	978,683	<b>1,019,185</b>
Profit before tax	425,240	<b>485,180</b>
Profit after tax	356,863	<b>393,220</b>

Based on CMBC's 2020 annual results, the CMBC Group has an audited net asset value of approximately HK\$2,600 million as at 31 December 2020.

## INFORMATION OF THE SELLER AND THE COMPANY

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.

The Seller is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

## **REASONS FOR THE FURTHER DISPOSAL MANDATE**

The Company acquired the CMBC Shares for investment purpose. Having regard to the current market conditions, the Board decided to have an investment portfolio with less securities investments and to solidify the financial and cash position of the Group.

In light of the uncertainty in the future global economy with the COVID-19 pandemic, together having considered the funding needs of the Group, the Company considers that the Disposal represents an opportunity to realise its investments and to allow the Group to reallocate the resources.

Given the volatility of the stock market, disposing of shares at the best possible prices requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of CMBC Shares. To allow flexibility in effecting future disposals of CMBC Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Further Disposal Mandate and the Disposal(s) from the Shareholders at the EGM in advance to allow the Directors to dispose of CMBC Shares during the Mandate Period.

The Disposal(s) will be made with reference to the market prices on open market. The Board is of the view that the Further Disposal Mandate and the Disposal(s) are on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

## **FINANCIAL IMPACT AND USE OF PROCEEDS**

Based on the closing price of per CMBC Share of HK\$0.102 as at the date of this announcement, the value of the 1,111,230,000 CMBC Shares was approximately HK\$113,345,460.

The Company will use the proceeds from the Disposal(s) for repayment of securities margin loans of the Group and the remaining (if any) will be used for general working capital such as staff costs. The net proceeds from the Disposal(s) will be utilised towards repayment of the securities margin loans of the Group and the repayment shall be made shortly upon completion of each of the Disposal(s). As at the date of this announcement, the securities margin loan owed by the Group to financial institutions amounts to approximately HK\$116 million.

For illustrating the effect of the Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all the 1,111,230,000 CMBC Shares would have been disposed of at HK\$0.102, being the closing price of each CMBC Share as at the date of this announcement, the Group is expected to recognise a revaluation loss of approximately HK\$35,559,360 which will affect the comprehensive income of the Group on the day of disposal for the year ending 31 December 2021 and is calculated on the basis of the difference between the market value of the Disposed Shares as at 1 January 2021 and the disposal prices (excluding stamp duty and related expenses). The revaluation loss equals to the deficit of the consideration of approximately HK\$113,345,460, being the market value of all the 1,111,230,000 CMBC Shares as at the date of this announcement, under the net book value of approximately HK\$148,904,820 of the CMBC Shares (based on the closing price per CMBC Shares of approximately HK\$0.134 as at 31 December 2020 and up to 1,111,230,000 CMBC Shares to be disposed under the Further Disposal Mandate) as at 31 December 2020. There will be no effect on the liabilities of the Group for the year ended 31 December 2020. The actual revaluation gain/loss of the Group as a result of the Disposal(s) depending upon the actual Disposal price(s) per CMBC Share. The Group will exercise its endeavours to achieve best available terms but the Disposal price shall be subject to market fluctuations and economic environment. The Company will exercise its endeavour to achieve the best available price to the Company at the time of execution of each Disposal.

For illustrating the effect of the Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all the 1,111,230,000 CMBC Shares would have been disposed of at the Minimum Selling Price, the Group is expected to recognise a revaluation loss of approximately HK\$87,787,170 which will affect the comprehensive income of the Group on the day of disposal for the year ending 31 December 2021 and is calculated on the basis of the difference between the market value of the Disposed Shares as at 31 December 2020 and the disposal prices (excluding stamp duty and related expenses). The revaluation loss equals to the deficit of the consideration of approximately HK\$61,117,650, being the value of all the 1,111,230,000 CMBC Shares at the Minimum Selling Price, under the net book value of approximately HK\$148,904,820 of the CMBC Shares as at 31 December 2020. There will be no effect on the liabilities of the Group for the year ended 31 December 2020.

The Company will use the proceeds from the Disposal(s) for repayment of loans and the remaining will be used for general working capital.

For the avoidance of doubt, the actual gain or loss as a result of the Disposal(s) to be recorded by the Group will be subject to the actual selling prices of the CMBC Shares and will be subject to final audit to be performed by the Company's auditors.

## **IMPLICATIONS UNDER THE LISTING RULES**

Assuming that all the 1,123,000,000 CMBC Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s) will exceed 75%, the Disposal(s) will constitute very substantial disposal on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Further Disposal Mandate and the Disposal(s) to allow the Company to dispose of up to 1,111,230,000 CMBC Shares held by the Group during the Mandate Period. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Further Disposal Mandate and the Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

The Company will despatch the circular containing, among others, (i) further details of the Further Disposal Mandate and the Disposal(s), and (ii) the notice of EGM as soon as possible in compliance with the Listing Rules. It is expected that the circular will be despatched on or before 30 June 2021.

Pursuant to Rule 14.68(2)(a)(i) of the Listing Rules, for a circular issued in relation to a very substantial disposal, it is required that financial information of either (a) CMBC; or (b) the Group with CMBC being shown separately, to be included in the circular in relation to the Disposal(s), where such financial information must be reviewed by the Company's auditors or reporting accountants according to the relevant accounting standards as specified under Rule 14.68(2)(a)(i) of the Listing Rules (the "Rules Requirements"). According to Note 2 to Rule 14.68(2)(a)(i) of the Listing Rules, it provides that the Stock Exchange may be prepared to relax the Rules Requirements if the assets of CMBC are not consolidated in the accounts of the Group before the Disposal(s). In this connection, the Company has applied to the Stock Exchange for a waiver from strict compliance with the Rules Requirements and the Stock Exchange has granted a waiver to the Company from strict compliance with the Rules Requirements in the circular.

As alternative disclosure, the circular of the Company in respect of the Further Disposal Mandate will include and disclose extracts of (1) consolidated statement of financial position; (2) consolidated statement of profit or loss and other comprehensive income; (3) consolidated statement of cash flows and (4) statement of changes in equity of CMBC for the past three financial years ended 31 December 2020.

Further details of and reasons for the waiver together with alternative disclosures will be disclosed in the circular of the Company to be despatched to the Shareholders.

**There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Further Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Approved Sale Shares”	up to 1,111,230,000 CMBC Shares
“Board”	the board of Directors
“CMBC”	CMBC Capital Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 1141)
“CMBC Group”	CMBC and its subsidiaries
“CMBC Shares”	ordinary shares of HK\$0.01 each in the share capital of CMBC
“Company”	Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Disposal(s)”	the proposed disposal(s) of up to 1,111,230,000 CMBC Shares by the Group under the Further Disposal Mandate

“Existing Disposal Mandate”	the existing general and conditional mandate granted by the Shareholders to the Company at the extraordinary general meeting of the Company held on 4 August 2020 to dispose up to 476,000,000 CMBC Shares during the Existing Mandate Period
“Existing Mandate Period”	the period of 12-month from the date of passing of the relevant resolution(s) approving the Existing Disposal Mandate and the disposal(s) at the extraordinary general meeting of the Company held on 4 August 2020
“Further Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Company at the EGM to dispose up to 1,111,230,000 CMBC Shares during the Mandate Period
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approval the Further Disposal Mandate and the Disposal(s) contemplated thereunder
“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)
“Last Trading Day”	20 May 2021, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mandate Period”	the period of 12-month from the date of passing of the relevant resolution(s) approving the Further Disposal Mandate and the Disposal(s) at the EGM
“Minimum Selling Price”	HK\$0.055 per CMBC Share
“Seller”	Golden Horse Hong Kong Investment Limited, a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 20 May 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) five independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah, Mr. Wang Ning and Mr. Zheng Zongjia.*