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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Future World Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the board of directors of Future World Holdings Limited (the “Company”) is set out on pages 5 to 16 of this circular. A notice convening an extraordinary general meeting of the Company to be held at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong at 11:00 a.m. on Wednesday, 18 August 2021 are set out on pages EGM-1 to EGM-4 of this circular. The proxy form for use at the aforesaid general meeting is enclosed with this circular. Such proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company’s control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EGM

The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the COVID-19, the Company will implement the following at the EGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (1) Compulsory body temperature checks will be conducted for every attendee at the entrance of the EGM venue. Any person who has a body temperature of over 37.5 degrees Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong government will be denied entry into or be required to leave the EGM venue.
- (2) Every attendee must wear a surgical face mask throughout the EGM and inside the EGM venue. Please note that no masks will be provided at the EGM venue and attendees should bring and wear their own masks.
- (3) The Company will maintain a safe distance between seats.
- (4) No refreshments or beverages will be served.
- (5) No distribution of coupons for subsequent consumption.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. The Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and return the proxy forms to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. The Shareholders should check the Company's website (www.fw-holdings.com) or the Stock Exchange's website (www.hkexnews.hk) for any future announcements and updates on the EGM arrangements.

DEFINITIONS

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

“Announcement”	announcement of the Company dated 20 May 2021 in relation to, among others, the Further Disposal Mandate
“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

DEFINITIONS

“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
“Latest Practicable Date”	19 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Liang Jian
Yu Zhenzhong
Cai Linzhan
Lau Fai Lawrence
Siu Yun Fat
Wang Fei
Yu Qingrui

Independent Non-executive Directors:

Chen Pei
Siu Siu Ling, Robert
Tam Tak Wah
Zheng Zongjia

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal office of business
in Hong Kong:*

Unit 2218, 22/F
The Metropolis Tower
10 Metropolis Drive
Hung Hom, Kowloon
Hong Kong

23 July 2021

To the Shareholders,

Dear Sir or Madam,

**POSSIBLE VERY SUBSTANTIAL DISPOSAL
MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

As announced in the announcement of the Company dated 20 May 2021, the Company announced that the Directors proposed to obtain the Further Disposal Mandate from the Shareholders authorising the Board for the possible disposal(s) from time to time during the Mandate Period of up to 1,111,230,000 CMBC Shares held by the Group. The Disposal(s) may constitute a very substantial disposal on the part of the Company under Chapter 14 of the Listing Rules and is subject to Shareholders' approval at the EGM.

LETTER FROM THE BOARD

The purpose of this circular is to give you further details of the possible Disposal(s), the Further Disposal Mandate and a notice of the EGM and such other information as required by the Listing Rules.

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 the 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 the 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 the 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 the Announcement, during the Mandate Period.

As at the date of the 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 the 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.

LETTER FROM THE BOARD

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 the 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 Latest Practicable Date, 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

LETTER FROM THE BOARD

- (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 the 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 the 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.

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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 Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) equal to net asset value per CMBC Share of approximately HK\$0.055 per CMBC Share based on the audited net asset value of CMBC as at 31 December 2020 and 47,617,977,729 CMBC Shares in issue; and
- (c) a discount of approximately 49.07% to the closing price of HK\$0.108 per CMBC share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

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

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.

LETTER FROM THE BOARD

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.

The Company proposed the Further Disposal Mandate since the Existing Disposal Mandate is to be fully utilised. The Company intends to fully dispose of the remaining 2,800,000 CMBC Shares before the expiry of the Existing Disposal Mandate or the effective date of the Further Disposal Mandate.

In considering when would be the best timing to conduct the Disposals, the Company will consider the market price of CMBC Shares, the trading trend and the market sentiment. Mr. Siu Yun Fat, an executive Director with years of experience in auditing, accounting and financial management and served in various position of local and international accounting firms and securities companies, was designated to closely monitors the trading performance of the CMBC Shares with the investment team of the Group and he would make recommendation to the Board based on the market price of CMBC Shares, the trading trend and the market sentiment, for instance, whether the market price of CMBC Shares would be at its high or whether there would be significant market fluctuations. The investment team will consider to make recommendations to the Board about the Disposal(s) if there would be significant fluctuations in the CMBC Share price, for instance, the CMBC Share price represents an increase of 30% to the closing prices in the last five trading days. For the avoidance of doubts, the investment team will take into consideration of other factors such as the trading trend and the market sentiment in making recommendation and there are no compulsory factors in respect of the Disposals.

Mr. Siu or the investment team will inform the Board about the proposed terms of the Disposal(s), including the number of the CMBC Shares to be disposed of and also the proposed price of the Disposal(s). After receiving such information, at least one of the other executive Directors would confirm whether or not to proceed with the Disposal(s) and Mr. Siu and/or the investment team can only execute the Disposal(s) upon approval by at least one of the other executive Directors of the Company.

LETTER FROM THE BOARD

Whilst the Company will record revaluation losses based on the current market price per CMBC Share, the Company does not intend to incur substantial losses from the Disposals. Whilst the Disposals can be made at a discount of up to 20% to the prevailing market price of CMBC Shares, the Company intends not to dispose of any of the CMBC Shares at any significant discount to the market price. The discount is for Disposal(s) in the event that the market sentiment and the global economy are not favourable, whereas the Company will have to dispose the CMBC Shares at a discount to the previous market price.

In light of the discount of the Minimum Selling Price to the current market price of the CMBC Shares, the Company has no intention to dispose of the CMBC Shares at the Minimum Selling Price, though the Minimum Selling Price shall prevent the Company from disposing of the CMBC Shares at an arbitrary low value.

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\$0.108 as at the Latest Practicable Date, the value of the 1,111,230,000 CMBC Shares was approximately HK\$120,012,840.

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 Latest Practicable Date, the securities margin loan and other loans owed by the Group to financial institutions amounts to approximately HK\$117 million, as to approximately HK\$78 million owed to CMBC, as to approximately HK\$4 million owed to CCB International Securities Limited (“**CCB Intl**”) and as to approximately HK\$35 million owed to Shanghai Commercial Bank.

LETTER FROM THE BOARD

There are no specific drawdown dates for the securities margin loans of the Group and the securities margin loans will only be drawn down at the time of acquisition of securities by the Group. The margin loans were first drawn by the Group since 2017 from CCB Intl and 2018 from CMBC. There is no specific maturity date for the securities margin facilities of the Group with CMBC and the maturity date for the securities margin facilities of the Group with CCB Intl would be June 2021 and would be renewed annually. The interest rates for the securities margin facilities of the Group with CMBC and CCB Intl are 9% and 9.5% per annum respectively. Since there was no specific maturity date, the Company will not consider the terms of the margin loans when effecting the Disposal(s). The Company will consider the proposed price of the Disposal(s), in particular whether such price(s) would be the best available price(s) to the Company.

The Company intends to allocate the proceeds towards repayment of the securities margin loans first and any remaining balance (if any) will then be utilised for general working capital. The Company intends to repay the securities margin loans upon receipt of proceeds from the Disposal(s).

Taking into accounts that the repayment of margin loans will reduce the gearing and interest expenses of the Group, the Company considers that the proposed use of proceeds is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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 the 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 the 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.

LETTER FROM THE BOARD

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.

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 1,111,230,000 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. 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.

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).

LETTER FROM THE BOARD

In the current case, whilst the Company is proposing to dispose of equity capital in another listed company and Rule 14.68(2)(a) of the Listing Rules would be applicable. The Company only held a minority interest of not more than 3% in CMBC and the Group is merely a passive investor. The Company held its investments in CMBC Capital as investments and the financial results of CMBC Capital have never been consolidated with the results of the Group. As such, it is impractical and unduly burdensome for the Company to prepare a full accountants' report on CMBC and the information contained in such an accountants' report would be of minor importance only for the assessment of the impact of the subject transaction under the Further Disposal Mandate. As a minority shareholder of CMBC, the Company cannot have access to the financial information of CMBC other than those disclosed to public by CMBC under the Listing Rules. In other words, strict compliance with Rule 14.68(2) of the Listing Rules would be prejudicial or detrimental to the Company's interests.

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.

It is respectfully submitted that the omission of an accountants' report of CMBC is not likely to mislead investors and/or the shareholders of the Company. As a listed company in Hong Kong, the financial results of CMBC is publicly available under the relevant Listing Rules and the shareholders and investors can make an informed assessment. In other words, there would be no other undue risks to the shareholders and investors for not including an accountants' report of CMBC.

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.

EGM

A notice convening the EGM to be held at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong on Wednesday, 18 August 2021 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the transactions contemplated under the Further Disposal Mandate and no other Shareholder is required from abstain from voting on the relevant ordinary resolution(s) approving the Further Disposal Mandate and the transactions contemplated thereunder at the EGM.

RECOMMENDATION

The Directors believe that the Disposal(s) and the Further Disposal Mandate are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal(s) and the Further Disposal Mandate.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fw-holdings.com):

- annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (pages 51 to 151):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn20190425463.pdf>

- annual report of the Company for the year ended 31 December 2019 published on 27 April 2020 (pages 52 to 147)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701126.pdf>

- annual report of the Company for the year ended 31 December 2020 published on 27 April 2021 (pages 61 to 161)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700943.pdf>

2. INDEBTEDNESS STATEMENT

The following table set forth a breakdown of our indebtedness as at 31 May 2021, being the latest practicable date for the purpose of this indebtedness in this circular.

	As at
	31 May 2021
	<i>HK\$'000</i>
Bank borrowings (<i>note a</i>)	301,040
Other borrowings (<i>note b</i>)	117,142
Lease liabilities (<i>note c</i>)	<u>7,164</u>
	<u><u>425,346</u></u>

Notes:–

- (a) As at 31 May 2021, the bank borrowings are secured by the investment properties of the Group with a net carrying amount of approximately HK\$662,000,000, and bear interest at the bank's HK\$ Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month) at 31 May 2021.

- (b) As at 31 May 2021, the other borrowings are secured by the pledges of financial assets at fair value through other comprehensive income of approximately HK\$121,858,000 and an investment property of the Group with a net carrying amount of approximately HK\$283,000,000. The other borrowings bear interest ranging from the broker's HK\$ Prime Rate – 2% per annum to 9.5% per annum.
- (c) The Group entered into several lease agreements for leasing of office premises located in Hong Kong and the PRC and recognised right-of-use assets and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$7,164,000 as at 31 May 2021, which were classified as to HK\$1,780,000 as current liabilities and HK\$5,384,000 as non-current liabilities. The interest rates of the lease liabilities ranged from 1.8% to 4.9% per annum.

As at the close of business on 31 May 2021, the Group did not have any significant contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities and normal trade payable in the ordinary course of the business, as at the close of business on 31 May 2021, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that taking into account (i) the internal resources of the Group; (ii) the existing banking and other borrowing facilities available; and (iii) the existing cash and bank balances, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2020 being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECTS

The Group is 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 Group will continue to explore opportunities in these core businesses so as to create long-term value for its Shareholders.

In 2019, the Board has initiated a revamp by appointing new Directors and new Chief Executive Officer of the Group. Leveraging on the expertise and experience of the new Directors and key management personnel, the Group has successfully embarked on new strategic initiatives and developed the business in relation to high technology and related services business. During the year ended 31 December 2020, the revenue from high technology business accounted for 77% of the Group's total revenue and recorded a segment profit of approximately HK\$21,823,000. It can be seen that high technology business has made a very important contribution to the Group and the high technology business has successfully driven the Group's business into new areas. The high technology business mainly revolves around industrial robot system, intelligence hardware for service robots and new energy transportation.

Technology is leading the world into a new era and changing the global economy. Industrial robots have also improved production efficiency and accuracy. Robotics will completely change manufacturing, construction and infrastructure processes, and bring a industrial new revolution. As the multilateral relations between China and other countries are becoming increasingly tense, cooperation between countries, especially cooperation in science and technology, is encountering unprecedented challenges. However, this is an excellent opportunity for China to vigorously and independently develop technological innovation. In the context of the huge demand in the Mainland China market and the rapid application of new technologies, the Group will devote more resources to bolstering its high technology business through development and acquisition of quality international and domestic projects.

After the Company entered into a global strategic co-operation agreement with HIT Robot Group Co., Ltd. (哈工大機器人集團股份有限公司) (“**HIT Robot Group**”) in 2019, pursuant to which each of the Company and HIT Robot Group will become global strategic co-operation partner and will co-operate with each other on their respective business areas including but not limited to intelligent robotics, artificial intelligence, 3C intelligence technology products and commodities trading, HIT Robot Group has become a substantial shareholder of the Company holdings approximately 20% issued share capital indirectly of the Company upon completion of the Right Issue in August 2020. The Group believes that the cooperation with HIT Robot Group and supported by HIT Robot Group's numerous industrial incubation bases in the Mainland China can speed up the development of the project.

HIT Robot Group was established in December 2014. Under “Made in China 2025”, encouraging innovation and shifting the economy to high-quality development, HIT Robot Group was engaged in robotics and related emerging industries, and relies on the construction, operation and model promotion of the HIT Robot Group’s “Science, Innovation, Production and Education” community to build a new technological innovation center. As a platform economy operator and a double-creation ecological service provider, HIT Robot Group takes “innovation + entrepreneurship + industry + education + capital” as its business structure, collaborative development of “real economy, technological innovation, modern finance, and human resources” as its business content, integration of “innovation chain, industrial chain, and capital chain” as its business process, system operation of “technological innovation, achievement transformation, industrial training” as its business goal. HIT Robot Group comprehensively serves the transformation of high-tech achievements and high-end talent entrepreneurship, serves the regional innovation systems construction and local industries transformation and upgrading, and serves the high-quality development and sustainable development of the economy.

In future, the Group will develop different innovative technology products and applications, pursue huge market opportunities and to diversify its high technology business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its Shareholders as a whole.

The Directors are optimistic to the securities market development in Hong Kong and have resolved to continue its securities brokerage business. The Group obtained the licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities through a wholly owned subsidiary Future World Securities Investment Limited (formerly known as Oriental Power Securities Investment Limited) (“**FW Securities**”) during the year. FW Securities aims at providing broader and more diversified services to customers. FW Securities targets to provide securities dealing and advising securities services to its customers. FW Securities will provide broker-dealer services covering the stocks and investment-linked instruments listed in the Stock Exchange. FW Securities will act as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange or shareholders of companies listed or to be listed on the Stock Exchange for their fund raising exercises such as IPOs, rights issues, open offers or placing of new and/or existing shares and debt securities. FW Securities will charge placing or underwriting commission at a rate determined by negotiation with clients which is generally in line with market practice.

6. MANAGEMENT DISCUSSION AND ANALYSIS**Financial Results**

The Group's revenue for the year ended 31 December 2020 has increased to HK\$234,659,000, which is 190% higher compared with the revenue of approximately HK\$80,916,000 for the year ended 31 December 2019. The increase of revenue was mainly attributed to the segment of high technology business. Details of high technology business are set out in "High Technology Business" section at below. The Group recorded a net loss of approximately HK\$38,003,000 attributable to shareholders of the Company for the year ended 31 December 2020 (2019: net loss of HK\$53,991,000) and basic loss per share of HK5.08 cents (2019: basic loss per share of HK8.76 cents) for the year ended 31 December 2020. The decrease in net loss was mainly attributable to net effect of (i) the Group recorded a profit of approximately HK\$21,823,000 from the segment of high technology business (2019: Nil); (ii) decrease in fair value loss of investment properties of approximately HK\$24,665,000; (iii) provision for credit loss allowances on loan and interest receivables of approximately HK\$1,433,000 (2019: reversal of credit loss allowances of approximately HK\$6,740,000); and (iv) realised loss on investments at fair value through profit or loss of approximately HK\$13,067,000 and there was no such item in last year.

Business Review

Since January 2020, the outbreak of the novel coronavirus (COVID-19) pandemic had severely impacted the global business environment. Nevertheless, up to the date hereof COVID-19 pandemic has not caused material financial difficulties to the Group. It mainly affected the development on electric motorcycle business in Indonesia and led to the postponement of the electric motorcycle business. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

High Technology Business

Innovation and technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing with it a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has achieved good progress in developing in high technology business including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. The strong technical backing of engineering teams enabled us to ensure our products consistently meet the most stringent quality requirements of our customers during the year. In addition to identifying room for improvement in management, the Group will also keep up research and development efforts to make sure it is well equipped in developing new products and in identifying business opportunities. During the year, the Group registered number of intellectual property rights in relation to the high technology business. The success of the Group's high technology business was unquestionably the result of its dedicated devotion in research and development.

During the year ended 31 December 2020, the revenue of approximately HK\$180,358,000 was generated (2019: Nil) and a profit of approximately HK\$21,823,000 (2019: Nil) was recorded for the segment of high technology business. The revenue in high technology business was contributed by intelligent industrial welding robots and equipment business and artificial intelligence products and application solutions business. The Group established a top welding tooling expert team for research and development, and be committed to the development, design, production and sales of a full range of non-standard customized positioner, all kinds of special welding and cutting tooling devices, and all kinds of unmanned and intelligent non-standard production lines. The products are delivered to the customers' designated locations as a package to its customers. Our products will be applied to pressure vessels, low-temperature equipment, special vehicles, rail transit, offshore wind power, engineering machinery and other industries. In term of artificial intelligence products and application solutions business, the main product is intelligent storage equipment with self-development system. The Group developed intelligent data storage software and registered number of intellectual property rights in relation to this data storage software. The Group purchased relevant hardware externally according to the customer's requirement and integrated with such intelligent data storage software. The data storage function includes data upload and read functions. The data recording module can automatically record the customer's data into the disc according to the configured recording strategy. The device automatically completes the entire process without user intervention. The intelligent storage equipment can create directories for sharing. The user can create, enable, disable, pause, clear, and add users to the shared directories. The intelligent storage equipment also has a hardware monitoring module, which monitors the status of hardware components such as controllers, optical storage devices, drives, robotic arms, and optical disc cartridges, and provides alarms for failures. Simultaneously, the intelligent storage equipment also has a backup function, which can be used for local backup and remote backup. For high

technology business, before the customer's acceptance of the finished products, the Group has no enforceable right to receive consideration from the customers for performance completed to date. Revenue is recognised at a point in time when control of the products has transferred to customers.

The Group has built up a technical team with strong technical and education background and years of experience in robotic related business, and their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. The Board considers that the development in high technology business will continuously contribute positively to the revenue and profit of the Group and will be beneficial to the development of the Group, thereby creating values to the Company and its shareholders.

Since the announcement of the global strategic partnership in 2019 and following the announcement of the rights issue in May 2020, HIT Robot Group has now become a substantial shareholder of the Company holding approximately 20% of the shareholding in the Company.

Since the formation of strategic co-operation with the HIT Robot Group in 2019, the Company has already made significant progress in developing the High Technology business segment including but not limited to the technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. The Group has an extensive variety of clients spanning across a number of different industries. These clients are generally involved in sectors relating and associated to the Company's High Technology business segment including, but not limited to welding, cutting equipment, trade and distribution, intelligent technology, intelligent equipment, industrial machinery and equipment, steel and other metals industries, clean energy and environmental protection, construction engineering, laser plate manufacturing, research and development, general manufacturing, mechanical and electrical equipment, robot automation and pressure vessels.

As at 31 December 2020, the operation team for the High Technology business segment comprises around 38 members of staff splitting across different departments of the Group.

Properties investment

The Group is currently holding (i) two residential properties located in Hong Kong which are on No. 19, Cumberland Road, Kowloon Tong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong (approximate saleable area of 6,892 square feet) and (ii) 19 retail units in a development district known as "Fortune Town" (振業城) located at Henggang Road, Longgang District, Shenzhen, the PRC (中國深圳市龍崗區橫崗街道).

During the year ended 31 December 2020, the Group recorded rental income of HK\$12,488,000 (2019: HK\$3,340,000) and fair value loss of HK\$3,125,000 (2019: fair value loss of HK\$27,790,000) arising from change in fair value of investment properties from the property investment segment.

The Group will continue to look for opportunity to expand and optimise its investment property portfolio with an aim to generate stable rental income and/or for capital appreciation.

Treasury business

The treasury business includes securities trading and investment business and money lending business.

Securities trading and investment business

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated financial statements. During the year, the Group’s securities trading portfolio comprised of equity securities of CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Central Wealth Group Holdings Limited (“**Central Wealth**”, stock code: 139), Huasheng International Holding Limited (“**Huasheng International**”, stock code: 1323), Dongwu Cement International Limited (“**Dongwu Cement**”, stock code: 695), Hong Kong Exchanges and Clearing Limited (“**HKEx**”, stock code: 388) and Tencent Holdings Limited (“**Tencent**”, stock code: 700) listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In light of the uncertainty in the future global economy with the recent COVID-19 outbreak, together having considered the funding needs of the Group, the Group disposed of part of the securities investments in order to realise its investments and to allow the Group to reallocate its resources to areas with better potential. As a whole, the securities trading and investment segment recorded a loss of approximately HK\$24,472,000 during the year ended 31 December 2020 (2019: HK\$14,411,000). The loss was mainly due to finance costs of approximately HK\$14,402,000 during the year ended 31 December 2020 (2019: HK\$19,698,000) and net realised loss from securities trading and investment of approximately HK\$13,067,000 during the year ended 31 December 2020 (2019: Nil). The Group recorded HK\$5,198,000 dividend income (2019: HK\$4,061,000) and an unrealised gain of securities investments under FVTPL of approximately HK\$148,000 (2019: HK\$4,133,000). For the securities under FVTOCI, the Group recorded a fair value loss of approximately HK\$35,859,000 during the year ended 31 December 2020 (2019: HK\$372,831,000) through other comprehensive income.

As at 31 December 2020, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at	Original cost of the interest as at	Market value of the interests as at	Fair value gain/(loss) for the year	Release of fair value reserve/Realised gain/(loss) for the year
		31.12.2020	31.12.2020	31.12.2020	for the year	for the year
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
FVTOCI						
CMBC Capital (Stock code: 1141)	1,480,600,000	3.109%	489,805	198,401	(17,965)	(110,043)
Central Wealth (Stock code: 139)	907,605,316	5.683%	82,758	18,152	(18,378)	(105)
Huasheng International (Stock code: 1323)	4,400,000	0.126%	3,080	3,564	484	-
Dongwu Cement (Stock code: 695)	-	-	-	-	-	352
Total			<u>575,643</u>	<u>220,117</u>	<u>(35,859)</u>	<u>(109,796)</u>
FVTPL						
Central Wealth	-	-	-	-	-	(13,074)
CMBC Capital	8,500,000	0.02%	1,020	1,139	119	-
HKEx (Stock code: 388)	600	0.00%	226	255	29	(7)
Tencent (Stock code: 700)	-	0.00%	-	-	-	14
Total			<u>1,246</u>	<u>1,394</u>	<u>148</u>	<u>(13,067)</u>
Grand-Total			<u>576,889</u>	<u>221,511</u>	<u>(35,711)</u>	<u>(122,863)</u>

As at 31 December 2020, the Group held securities investment portfolio with market value of approximately HK\$221,511,000 (31 December 2019: HK\$296,977,000). Except for the investment in CMBC Capital, at 31 December 2020, there were no other investments held by the Group of which value was more than 5% of the net assets of the Group.

Performance and prospects of the investees

CMBC Capital

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) was principally engaged in the business of brokerage and related services, securities investment and provision of finance. China Minsheng Banking Corporation Limited, one of the largest private banks in the PRC has indirect interest in over 60% of the issued shares capital of CMBC Capital as at 31 December 2019.

As mentioned in its annual result announcement for the year ended 31 December 2020, the CMBC Capital Group has recorded net profit amounted to approximately HK\$393 million, representing an increase of approximately 10.2% when compared to the year ended 31 December 2019 of HK\$357 million. The CMBC Capital Group's basic and diluted earnings per share were both HK0.83 cents (2019: both HK0.75 cents). Revenue has increased by approximately 4.1% to approximately HK\$1,019 million for the year ended 31 December 2020, compared to approximately HK\$979 million for the year ended 31 December 2019.

CMBC Capital closed at HK\$0.134 as at 31 December 2020 (31 December 2019: HK\$0.143).

Central Wealth

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are principally engaged in the securities and futures dealing business, financial investment, property investments and money lending business.

As mentioned in Central Wealth's annual result announcement for the year ended 31 December 2020, the net profit for the period was approximately HK\$28 million as compared to approximately HK\$208 million for the year ended 31 December 2019. Basic earnings per share attributable to ordinary equity holders of the parent for the year was approximately HK0.18 cents (2019: HK1.42 cents). The Central Wealth Group recorded a revenue of approximately HK\$670 million for the year ended 31 December 2020, compared to a revenue of approximately HK\$948 million for the year ended 31 December 2019.

Central Wealth closed at HK\$0.020 as at 31 December 2020 (31 December 2019: HK\$0.051).

Huasheng International

Huasheng International and its subsidiaries (the “**Huasheng International Group**”) are principally engaged in (i) production and sales of ready-mixed commercial concrete (“**Concrete Business**”); (ii) wholesale and retail of household consumables (“**Household Consumables Business**”); (iii) provision of money lending services (“**Money Lending Business**”); and (iv) provision of educational technology solutions through online education programs and provision of English language proficiency tests (“**Education Business**”). The Huasheng International Group was also engaged in (i) design and development of three-dimensional animations, augmented reality technology application and e-learning web application (“**Digital Technology Business**”); and (ii) provision of coal trading business (“**Coal Business**”), which were disposed of and classified as discontinued operations.

As mentioned in Huasheng International's interim report for the six months ended 30 September 2020, its net profit for the period was approximately HK\$9.5 million as compared to approximately HK\$13.5 million for the six months ended 30 September 2019. Basic earnings per share for the period was approximately HK0.288 cents (30 September 2019: HK0.541 cents).

Huasheng International closed at HK\$0.810 as at 31 December 2020 (31 December 2019: HK\$0.53).

Dongwu Cement

Dongwu Cement and its subsidiaries (the “**Dongwu Cement Group**”) was principally engaged in the production and sales of cement, and provision of sewage and sludge treatment operation and construction services.

As mentioned in Dongwu Cement's annual result announcement for the year ended 31 December 2020, the profit for the year was approximately RMB50,236,000, representing decrease of approximately 17.2% when compared to the year ended 31 December 2019. Dongwu Cement's basic and diluted earnings per share was RMB0.091 (2019: RMB0.121). The Dongwu Cement Group recorded a revenue of approximately RMB460,970,000 for the year ended 31 December 2020, compared to a revenue of approximately RMB571,150,000 for the year ended 31 December 2019.

As at 31 December 2020, the Group did not hold any Dongwu Cement shares.

HKEx

HKEx together with its subsidiaries (the “**HKEx Group**”) own and operate the only stock and futures markets in Hong Kong and clearing houses. It was mentioned in HKEx's annual report for the year ended 31 December 2020, the HKEx Group's total revenue and other income amounted to HK\$16.8 billion (2019: HK\$13.6 billion) and the profit attributable to shareholders was HK\$11.5 billion (2019: HK\$9.4 billion) for the year ended 31 December 2020, up 24% and 22% respectively as compared to 2019. The HKEx Group's basic earnings per share was HK\$9.11 (2019: HK\$7.49) and diluted earnings per share was HK\$9.09 (2019: HK\$7.47).

HKEx closed at HK\$425.00 as at 31 December 2020 (31 December 2019: HK\$253.00).

Tencent

Tencent and its subsidiaries (the “**Tencent Group**”) are principally engaged in the provision of value-added services and online advertising services to users in the People’s Republic of China (“**PRC**”). Its many services include social network, web portals, e-commerce, online/mobile games and provision of payment related services and other services. Tencent is one of the largest internet companies, as well as gaming company in the world. As mentioned in its annual results announcement for the year ended 31 December 2020, the Tencent Group recorded a revenue of approximately RMB482,064 million for the year (2019: RMB377,289 million). The profit attributable to its equity holders for the year ended 31 December 2020 was approximately RMB159,847 million (2019: RMB93,310 million). Basic and diluted earnings per share for the year ended 31 December 2020 were approximately RMB16.844 (2019: RMB9.856) and approximately RMB16.523 (2019: RMB9.643) respectively.

As at 31 December 2020, the Group did not hold any Tencent shares.

Money lending business

A wholly-owned subsidiary of the Group, Globally Finance Limited (“**Globally Finance**”), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the year ended 31 December 2020, Globally Finance generated revenue of approximately HK\$22,985,000 (2019: HK\$28,174,000) and recorded a profit of approximately HK\$21,684,000 (2019: HK\$32,726,000). During the year ended 31 December 2020, the Group assessed and estimated credit loss allowances for loan and interest receivables according to the requirements of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. Based on the result of credit assessment on debtors, the credit loss allowances as at 31 December 2020 was approximately HK\$21,710,000 (2019: HK\$20,277,000), and a provision for credit loss allowances for debtors of approximately HK\$1,433,000 was charged to consolidated profit or loss for the year ended 31 December 2020 (2019: reversal of provision for credit loss allowance of HK\$6,740,000 was credited).

Investment in film industry

China Wisdom Group Limited (“**China Wisdom**”), a wholly owned subsidiary of the Company, has entered into agreements with Ocean Wave Motion Pictures (International) Limited (“**Ocean Wave**”) in relation to investment and advancements in the following film projects:

Date of agreement	Film project	Investment/ Advancement amount	Annual interest rate	Investment return	Carrying amount of investment as at		Category
					31.12.2020 (as at 31.12.2019)	HK\$	
11.10.2017	Two Days 《兩天》	USD487,500	12%	Nil	5,243,000 (4,787,000)		Loan and interest receivables
12.06.2018	Papillon 《巴比龍》	USD675,000	8%	Nil	– (5,919,000)		Loan and interest receivables

During the year ended 31 December 2020, China Wisdom recorded interest income of approximately HK\$476,000 (2019: HK\$1,329,000) and a loss of approximately HK\$185,000 (2019: profit of approximately HK\$1,128,000) from the segment of investment in film industry. The decrease in revenue and profit was due to the amount of loan from film investment decreased during the year.

Trading business and related services

Trading business and related services include intelligent robots trading business, face mask, COVID-19 test kits business and anime product.

Facing the outbreak of the novel coronavirus (COVID-19) pandemic, the Group has ordered mask production lines and commenced mask production in April 2020. The Group has also engaged an independent third party for mask production on an OEM basis. However, with the alleviation of the COVID-19 outbreak since late April 2020 with the free distribution of protective masks (CuMask) by the Hong Kong government, having taken into consideration of the reduction in demand and needs, the Group has ceased its own local mask production and disposed the relevant subsidiary in May 2020 in order to control costs and expenses but retained its OEM mask production in order to keep flexibility. The disposal was completed on 14 May 2020 and the Group recorded a gain on disposal of approximately HK\$755,000. In addition, Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of Wenzhou OJA Biotechnology Co., Ltd. (also known as OJABIO) for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the

“**Test Kits**”) for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in human body and can provide affordable “early diagnosis” solution for the society. Relevant certifications have also been obtained for the Test Kits. During the year ended 31 December 2020, the mask and Test Kits products of the Group have been distributed and sold through a number of drugstores and one of the leading cosmetics retail chains in Hong Kong. Revenue of approximately HK\$3,984,000 was generated (2019: Nil) and a profit before income tax of approximately HK\$1,037,000 (2019: Nil) was recorded during the year ended 31 December 2020.

With a view to developing and expanding the Group’s intelligent robotics business from last year, the Group has entered into several trading agreements in relation to the sales of robots and related products. The revenue of approximately HK\$8,223,000 was generated during the year ended 31 December 2020.

In order to diversify the trading product, the Group developed well-known anime product. The product covered home and automobile related products. The revenue for anime products of approximately HK\$947,000 was generated during the year ended 31 December 2020.

During the year ended 31 December 2020, revenue of approximately HK\$13,154,000 was generated (2019: HK\$44,012,000) and a loss of approximately HK\$7,475,000 (2019: HK\$8,709,000) was recorded as a whole for the segment of trading business and related services. The Group will seek for business opportunity in the trading business.

Licensing of e-commerce platform

During the year ended 31 December 2020, no revenue (2019: Nil) was generated and no profit or loss was incurred (2019: loss of HK\$646,000) for the segment of e-commerce business. The Group will continue to look for any potential opportunity in the e-commerce business.

Financial Review

Liquidity, financial resources and funding

During the year ended 31 December 2020, the Group mainly financed its operations by cash generated from operation, rights issue and bank borrowings. The Group had total pledged bank deposits and cash and bank balances of approximately HK\$12,491,000 as at 31 December 2020 (2019: HK\$12,396,000). The Group had total borrowings of approximately HK\$448,718,000 (2019: HK\$485,430,000) are comprised of bank borrowings of approximately HK\$305,009,000 (2019: HK\$312,369,000) and other borrowings of approximately HK\$143,709,000 (2019: HK\$173,061,000) as at 31 December 2020.

Among bank borrowings, approximately HK\$89,489,000 are repayable within one year, HK\$9,849,000 are repayable over one year but not exceeding two years, HK\$30,797,000 are repayable over two years but not exceeding five years and HK\$174,874,000 are repayable over five years. The bank borrowings bear interest at the bank's HK\$ Prime Rate – 2.5% per annum, 2% per annum + HIBOR (1 month) or 2.5% per annum over HIBOR (1 week to 1 month).

The other borrowings are comprised of margin loans and revolving loan. The margin loan payables bear fixed interest ranging from 9% to 9.5% per annum. The margin loan payables are repayable within one year and was guaranteed by the Company. The revolving loan bear fixed interest rate of the bank's HK\$ Prime Rate – 2% per annum. Details are set out in Note 31 to the consolidated financial statements.

The gearing ratio, which is calculated as total borrowings divided by total equity, was 47.07% (2019: 51.96%) as at 31 December 2020. Net assets were approximately HK\$953,233,000 (2019: HK\$934,195,000) on the same date.

As at 31 December 2020, the Group has total current assets of approximately HK\$154,417,000 (2019: HK\$355,242,000) and total current liabilities of approximately HK\$533,162,000 (2019: HK\$500,770,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 0.29 as at 31 December 2020 (2019: 0.71). The decrease in current assets and current ratio was mainly due to the Group and Central Wealth entered into a supplemental loan agreement during the year ended 31 December 2020, pursuant to which Group has granted an aggregate irrevocable loan facility of HK\$270,000,000 to Central Wealth with effect from 1 January 2021 and the maturity date of these loans would be extended to 31 December 2023, and the loan receivable was reclassified as non-current assets. Further details of the extension of the loan facility are set out in the Company's announcement dated 7 October 2020 and the Company's circular dated 25 November 2020.

The Group's finance costs for the year was approximately HK\$21,132,000 (2019: HK\$26,856,000) and was mainly related to interests paid on the bank borrowings and margin loans. The decrease in finance cost was due to the total borrowings decrease during the year.

Pledge of assets

At 31 December 2020, the Group's investment properties, with carrying amount of HK\$662,000,000 (2019: HK\$664,000,000), have been pledged to secure the bank borrowings granted to the Group.

As at 31 December 2020, the Group had pledged an investment property with carrying amount of HK\$283,000,000 (2019: HK\$285,000,000) and the securities investment under FVTOCI of approximately HK\$209,397,000 (2019: pledged the securities investment under FVTOCI of approximately HK\$270,627,000 and the securities investment under FVTPL of approximately HK\$26,350,000) to secure the other borrowings.

As at 31 December 2020, a bank deposit in amount of EUR35,000 (2019: EUR160,000) in equivalent to HK\$336,000 (2019: HK\$1,410,000), has been pledged to a bank for the issuance of a letter of guarantee for trading business.

Foreign currency management

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of each group entity. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

Litigations and contingencies

As at 31 December 2020, the Group had no significant litigations and contingencies.

Employees and Remuneration Policies

As at 31 December 2020, the Group had 66 employees situated in Hong Kong and China (2019: 35 employees situated in Hong Kong). The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2020, the total staff costs including remuneration of directors and chief executive amounted to approximately HK\$30,703,000 (2019: HK\$15,605,000).

Going concern

Note (g) to the unaudited Unaudited Pro Forma Financial Information indicates that the Group has pro forma net current liabilities of approximately HK\$230,221,000 as at 31 December 2020. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The current liabilities of the Group include bank borrowings of approximately HK\$215,520,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly installments in 17-23 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

The Group would sell part of its financial assets (including the CMBC shares and other listed securities held by the Group) in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of authorising the consolidated financial statements which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities. The Group has commenced preliminary discussion with certain bankers on banking facilities but as at the Latest Practicable Date, no formal agreements have been entered.

Taking into account of the above consideration and measures, the Directors are satisfied that the Group will be able to meet its financial obligations when they fall due.

Set out below are the financial information of CMBC which comprises the consolidated statements of financial position of the CMBC Group as at 31 December 2018, 2019 and 2020 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cashflows of the CMBC Group for each of the year then ended which were extracted from the annual reports of Starry for the years ended 31 December 2018, 2019 and 2020. In the opinions of the independent auditor of CMBC as stated in the respective annual reports of CMBC, the consolidated financial statements for each of the years ended 31 December 2018, 2019 and 2020 give a true and fair view of the financial position of CMBC and of the financial performance and cash flows of CMBC for each of the years then ended.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	2020	2019	2018
	HK\$'000	HK\$'000	HK\$'000
Revenue	1,019,185	978,683	791,190
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss (“FVTPL”)	150,975	123,760	(57,365)
Net losses on financial assets at fair value through other comprehensive income (“FVOCI”)	(84,204)	(32,632)	(15,799)
Net losses on financial assets at amortised cost	(18,972)	–	–
Other income	16,515	10,608	7,947
Other gains and losses	2,615	(6,315)	(389)
Impairment losses	(113,614)	(116,011)	(33,965)
Staff costs	(89,126)	(119,644)	(71,775)
Depreciation and amortisation	(27,718)	(29,704)	(6,280)
Other operating expenses	(51,998)	(60,494)	(66,800)
Finance costs	(318,478)	(323,011)	(262,029)
Profit before taxation	485,180	425,240	284,737
Taxation	(91,960)	(68,377)	(39,541)
Profit for the year attributable to owners of the Company	<u>393,220</u>	<u>356,863</u>	<u>245,196</u>

APPENDIX II**FINANCIAL INFORMATION OF CMBC**

	2020	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to owners of the Company	393,220	356,863	245,196
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
– Equity investments at fair value through other comprehensive income			
– net movement in fair value reserve (non-recycling)	34,517	56,387	(57,555)
Item that may be reclassified subsequently to profit or loss:			
– Financial assets at fair value through other comprehensive income			
– net movement in fair value reserve (recycling)	<u>114,270</u>	<u>32,314</u>	<u>(275,804)</u>
Other comprehensive income for the year, net of tax	<u>148,787</u>	<u>88,701</u>	<u>(333,359)</u>
Total comprehensive income for the year attributable to owners of the Company	<u><u>542,007</u></u>	<u><u>445,564</u></u>	<u><u>(88,163)</u></u>
Earnings per share attributable to owners of the Company (<i>HK cents</i>)			
– Basic	0.83	0.75	0.53
– Diluted	<u>0.83</u>	<u>0.75</u>	<u>0.53</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2020 <i>HK\$'000</i>	As at 31 December 2019 <i>HK\$'000</i>	As at 31 December 2018 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	9,418	11,926	3,130
Right-of-use asset	93,428	116,785	–
Goodwill	16,391	16,391	16,391
Intangible assets	2,103	3,474	4,845
Loans and advances	–	357,822	880,260
Financial assets at amortised cost	77,272	77,574	–
Deferred tax assets	1,383	13,520	922
Other assets	10,138	10,184	10,183
	<u>210,133</u>	<u>607,676</u>	<u>915,731</u>
Current assets			
Accounts receivable	502,816	601,243	1,228,278
Prepayments, deposits and other receivables	35,339	55,773	30,383
Interests receivable	119,836	147,676	67,648
Amount due from an intermediate holding company	–	4,109	243
Loans and advances	1,485,217	1,852,889	3,114,777
Financial assets at fair value through other comprehensive income	6,835,510	6,888,906	3,006,050
Financial assets at amortised cost	–	93,504	–
Financial assets at fair value through profit or loss	1,240,808	952,053	1,056,979
Cash held on behalf of customers	357,370	35,279	134,047
Cash and cash equivalents	378,170	400,708	887,579
	<u>10,955,066</u>	<u>11,032,140</u>	<u>9,525,984</u>

APPENDIX II**FINANCIAL INFORMATION OF CMBC**

	As at 31 December 2020 HK\$'000	As at 31 December 2019 HK\$'000	As at 31 December 2018 HK\$'000
Current liabilities			
Accounts payable	359,441	38,958	369,693
Other payables and accruals	83,147	145,329	58,683
Amount due to an intermediate holding company	5,927	–	–
Bank and other borrowings	4,446,443	5,748,468	6,653,340
Notes payable	–	50,000	99,216
Tax payable	20,831	82,510	25,925
Financial assets sold under repurchase agreements	3,390,747	3,180,420	1,170,680
Financial liabilities at fair value through profit or loss	93,922	27,977	130,149
Lease liabilities	27,388	27,388	–
	<u>8,427,846</u>	<u>9,301,050</u>	<u>8,507,686</u>
Net current assets	<u>2,527,220</u>	<u>1,731,090</u>	<u>1,018,298</u>
Total assets less current liabilities	<u>2,737,353</u>	<u>2,338,766</u>	<u>1,934,029</u>
Non-current liabilities			
Notes payable	–	–	50,000
Lease liabilities	66,670	91,012	–
Deferred tax liabilities	70,715	25,511	7,953
	<u>137,385</u>	<u>116,523</u>	<u>57,953</u>
NET ASSETS	<u>2,599,968</u>	<u>2,222,243</u>	<u>1,876,076</u>
CAPITAL AND RESERVES			
Share capital	476,279	476,792	477,059
Reserves	2,123,689	1,745,451	1,399,017
TOTAL EQUITY	<u>2,599,968</u>	<u>2,222,243</u>	<u>1,876,076</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Contributed surplus HK\$'000 (Note b)	Fair value reserve (recycling) HK\$'000	Fair value reserve (non- recycling) HK\$'000	Other reserve HK\$'000 (Note c)	Accumulated profit/(losses) HK\$'000	
At 1 January 2019	477,059	1,769,659	2,318,758	(261,862)	(57,555)	761	(2,370,744)	1,876,076
Changes in equity for 2019:								
Profit for the year	-	-	-	-	-	-	356,863	356,863
Other comprehensive income	-	-	-	32,314	56,387	-	-	88,701
Total comprehensive income	-	-	-	32,314	56,387	-	356,863	445,564
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	4,382*	-	(4,382)*	-
Shares repurchased and cancelled	(267)	(3,441)	-	-	-	-	-	(3,708)
Shares repurchased but not yet cancelled	-	-	-	-	-	(282)	-	(282)
Dividend approved in respect of the previous year	-	-	(95,407)	-	-	-	-	(95,407)
Balance at 31 December 2019	476,792	1,766,218	2,223,351	(229,548)	3,214	479	(2,018,263)	2,222,243

* Amounts reclassified to accumulated profit/(losses) upon disposal of equity investments at fair value through other comprehensive income.

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Contributed surplus HK\$'000 (Note b)	Fair value reserve (recycling) HK\$'000	Fair value reserve (non- recycling) HK\$'000	Other reserve HK\$'000 (Note c)	Accumulated profit/(losses) HK\$'000	
At 1 January 2018	457,787	1,089,404	2,318,758	(60)	-	761	(2,586,464)	1,280,186
Impact on initial application of HKFRS	-	-	-	14,002	-	-	(20,262)	(6,260)
Impact on initial application of HKFRS 15	-	-	-	-	-	-	(9,214)	(9,214)
Adjusted balance at 1 January 2018	457,787	1,089,404	2,318,758	13,942	-	761	(2,615,940)	1,264,712
Changes in equity for 2018:								
Profit for the year	-	-	-	-	-	-	245,196	245,196
Other comprehensive income	-	-	-	(275,804)	(57,555)	-	-	(333,359)
Total comprehensive income	-	-	-	(275,804)	(57,555)	-	245,196	(88,163)
Issue of shares	13,500	476,550	-	-	-	-	-	490,050
Placing of shares	5,772	203,705	-	-	-	-	-	209,477
Balance at 31 December 2018	477,059	1,769,659	2,318,758	(261,862)	(57,555)	761	(2,370,744)	1,876,076

Notes:

- Share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.
- Amounts represent credits arisen from the capital reduction and share premium cancellation transferred to the contributed surplus account, which had been partially utilised to eliminate the accumulated losses of the Group.
- The other reserve of the Group represents the difference between the proportionate share of net assets attributable to additional interest in a subsidiary and the consideration paid, and treasury shares of the Company held as at 31 December 2019.

APPENDIX II
FINANCIAL INFORMATION OF CMBC

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Contributed surplus HK\$'000 (Note b)	Fair value reserve (recycling) HK\$'000	Fair value reserve (non- recycling) HK\$'000	Other reserve HK\$'000 (Note c)	Accumulated profit/(losses) HK\$'000	
At 1 January 2020	476,792	1,766,218	2,223,351	(229,548)	3,214	479	(2,018,263)	2,222,243
Changes in equity for 2020:								
Profit for the year	-	-	-	-	-	-	393,220	393,220
Other comprehensive income	-	-	-	114,270	34,517	-	-	148,787
Total comprehensive income	-	-	-	114,270	34,517	-	393,220	542,007
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(17,905)*	-	17,905*	-
Shares repurchased and cancelled	(513)	(6,393)	-	-	-	281	-	(6,625)
Shares repurchased but not yet cancelled	-	-	-	-	-	(387)	-	(387)
Dividend approved in respect of the previous year	-	-	(157,270)	-	-	-	-	(157,270)
Balance at 31 December 2020	476,279	1,759,825	2,066,081	(115,278)	19,826	373	(1,607,138)	2,599,968

* Amounts reclassified to accumulated profit/(losses) upon disposal of equity investments at fair value through other comprehensive income.

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Contributed surplus HK\$'000 (Note b)	Fair value reserve (recycling) HK\$'000	Fair value reserve (non- recycling) HK\$'000	Other reserve HK\$'000 (Note c)	Accumulated profit/(losses) HK\$'000	
At 1 January 2019	477,059	1,769,659	2,318,758	(261,862)	(57,555)	761	(2,370,744)	1,876,076
Changes in equity for 2019:								
Profit for the year	-	-	-	-	-	-	356,863	356,863
Other comprehensive income	-	-	-	32,314	56,387	-	-	88,701
Total comprehensive income	-	-	-	32,314	56,387	-	356,863	445,564
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	4,382*	-	(4,382)*	-
Shares repurchased and cancelled	(267)	(3,441)	-	-	-	-	-	(3,708)
Shares repurchased but not yet cancelled	-	-	-	-	-	(282)	-	(282)
Dividend approved in respect of the previous year	-	-	(95,407)	-	-	-	-	(95,407)
Balance at 31 December 2019	476,792	1,766,218	2,223,351	(229,548)	3,214	479	(2,018,263)	2,222,243

* Amounts reclassified to accumulated profit/(losses) upon disposal of equity investments at fair value through other comprehensive income.

Notes:

- Share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.
- Amounts represent credits arisen from the capital reduction and share premium cancellation transferred to the contributed surplus account, which had been partially utilised to eliminate the accumulated losses of the Group.
- The other reserve of the Group represents the difference between the proportionate share of net assets attributable to additional interest in a subsidiary and the consideration paid, and treasury shares of the Company held as at 31 December 2020 and 2019.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Operating activities			
Cash from operations	1,249,750	346,452	(3,331,364)
Hong Kong Profits Tax paid	(96,298)	(6,832)	(13,200)
Interest received	687,177	550,856	347,179
Dividend received	8,518	39,856	17,634
Interest paid	<u>(330,546)</u>	<u>(299,080)</u>	<u>(168,756)</u>
Net cash generated from operating activities	<u>1,518,601</u>	<u>631,252</u>	<u>(3,148,507)</u>
Investing activity			
Purchases of property, plant and equipment	<u>(482)</u>	<u>(13,906)</u>	<u>(443)</u>
Net cash used in investing activity	<u>(482)</u>	<u>(13,906)</u>	<u>(443)</u>
Financing activities			
Proceeds from issue of new shares in share subscription and placing	–	–	699,527
Repurchase of shares	(7,012)	(3,990)	–
New bank and other borrowings raised	5,039,553	2,550,462	6,125,108
Repayment of notes	(50,000)	(100,000)	–
Repayment of bank and other borrowings	(6,328,580)	(3,422,608)	(2,912,038)
Dividend paid	(157,270)	(95,407)	–
Principal and interest elements of lease payments	<u>(29,670)</u>	<u>(22,824)</u>	<u>–</u>
Net cash used in financing activities	<u>(1,532,979)</u>	<u>(1,094,367)</u>	<u>3,912,597</u>
Net decrease in cash and cash equivalents	(14,860)	(477,021)	763,647
Cash and cash equivalents at the beginning of year	400,708	887,579	126,761
Effect of foreign exchange rate changes, net	<u>(7,678)</u>	<u>(9,850)</u>	<u>(2,829)</u>
Cash and cash equivalents at the end of year	<u>378,170</u>	<u>400,708</u>	<u>887,579</u>
Analyses of cash and cash equivalents at end of year: Bank balances – house accounts	<u>378,170</u>	<u>400,708</u>	<u>887,579</u>

(A) THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**1. Introduction**

The following is the unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2020 and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes (collectively, the “**Unaudited Pro Forma Financial Information**”).

The Unaudited Pro Forma Financial Information is prepared by the directors of the Company in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the purpose of illustrating the effect of the possible very substantial disposal in relation to the possible disposal of 1,111,230,000 ordinary shares of CMBC Capital Holdings Limited (“**CMBC Shares**”) (the “**Disposal**”) as described in the section headed “Letter from the Board” in this circular.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate (i) the consolidated statement of financial position of the Group as at 31 December 2020 as if the Disposal had been completed on 31 December 2020; and (ii) the consolidated statement of profit or loss and other comprehensive income of the Group and the consolidated statement of cash flows of the Group for the year ended 31 December 2020 as if the Disposal had been completed on 1 January 2020.

The Unaudited Pro Forma Financial Information of the Group is based upon the consolidated financial information of the Group for year ended 31 December 2020, which has been derived from the Company’s published annual report for the year then ended, dated 30 March 2021, after taking pro forma adjustments as summarised in the accompanying notes that are clearly shown explained, factually supportable and directly attributable to the Disposal.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions, estimates and current available information. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial results, cash flows and financial position of the Group had the Disposal been completed as at the specified dates or any other dates.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2020 and other financial information included elsewhere in this circular.

2. Unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2020

	Audited consolidated statement of financial position of the Group as at 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (b)</i>	Unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	2,161		2,161
Right-of-use assets	8,797		8,797
Investment properties	803,836		803,836
Interest in an associate	58		58
Financial assets at fair value through other comprehensive income	220,117	(148,905)	71,212
Loan receivables	298,451		298,451
Deferred tax assets	4,059		4,059
	<u>1,337,479</u>	<u>(148,905)</u>	<u>1,188,574</u>
Current assets			
Inventories	10,581		10,581
Loan and interest receivables	39,564		39,564
Financial assets at fair value through profit or loss	1,394		1,394
Trade, bills and other receivables	81,793		81,793
Contract assets	8,594		8,594
Pledged bank deposits and cash and bank balances	12,491	58,031	70,522
	<u>154,417</u>	<u>58,031</u>	<u>212,448</u>

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	Audited consolidated statement of financial position of the Group as at 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (b)</i>	Unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2020 <i>HK\$'000</i>
Current liabilities			
Trade payables, accruals and other payables	72,993		72,993
Contract liabilities	5,133		5,133
Lease liabilities	3,877		3,877
Bank borrowings	305,009		305,009
Other borrowings	143,709	(90,493)	53,216
Income tax payables	2,441		2,441
	<u>533,162</u>	<u>(90,493)</u>	<u>442,669</u>
Net current liabilities	<u>(378,745)</u>	<u>148,524</u>	<u>(230,221)</u>
Total assets less current liabilities	<u>958,734</u>	<u>(381)</u>	<u>958,353</u>
Non-current liabilities			
Lease liabilities	<u>5,501</u>		<u>5,501</u>
Net assets	<u><u>953,233</u></u>	<u><u>(381)</u></u>	<u><u>952,852</u></u>
Capital and reserves			
Share capital	18,906		18,906
Reserves	<u>926,049</u>	<u>(381)</u>	<u>925,668</u>
Equity attributable to owners of the Company	944,955	(381)	944,574
Non-controlling interests	<u>8,278</u>		<u>8,278</u>
Total equity	<u><u>953,233</u></u>	<u><u>(381)</u></u>	<u><u>952,852</u></u>

3. Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020 <i>HK\$'000</i>
Net realised loss from securities trading and investment	(13,067)	—	(13,067)
Revenue	234,659	—	234,659
Cost of sales	(166,366)	—	(166,366)
Gross profit	68,293	—	68,293
Other income and gains	1,689	—	1,689
Selling and distribution costs	(4,513)	—	(4,513)
Administrative expenses	(37,083)	(381)	(37,464)
Gain on disposal of subsidiaries, net	973	—	973
Provision for credit loss allowances on loan and interest receivables, net	(1,433)	—	(1,433)
Provision for credit loss allowances on trade receivables, net	(125)	—	(125)
Reversal of expected credit loss on loan commitment, net	687	—	687
Change in fair value of financial assets at fair value through profit or loss	148	—	148
Change in fair value of investment properties	(3,125)	—	(3,125)
Share of loss of an associate	(371)	—	(371)
Share-based payment expenses	(17,498)	—	(17,498)
Operating loss	(5,425)	(381)	(5,806)
Finance costs	(21,132)	8,144	(12,988)
Loss before income tax	(26,557)	7,763	(18,794)
Income tax expense	(4,593)	—	(4,593)
Loss for the year	(31,150)	7,763	(23,387)

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020 <i>HK\$'000</i>
Other comprehensive income/(loss)			
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations	10,312		10,312
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	<u>(35,859)</u>		<u>(35,859)</u>
Other comprehensive loss for the year, net of income tax	<u>(25,547)</u>		<u>(25,547)</u>
Total comprehensive loss for the year	<u><u>(56,697)</u></u>	<u><u>7,763</u></u>	<u><u>(48,934)</u></u>
(Loss)/profit for the year attributable to:			
Owners of the Company	(38,003)	7,763	(30,240)
Non-controlling interests	<u>6,853</u>		<u>6,853</u>
	<u><u>(31,150)</u></u>	<u><u>7,763</u></u>	<u><u>(23,387)</u></u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company	(64,023)	7,763	(56,260)
Non-controlling interests	<u>7,326</u>		<u>7,326</u>
	<u><u>(56,697)</u></u>	<u><u>7,763</u></u>	<u><u>(48,934)</u></u>

4. Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 December 2020

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i>
Cash flows from operating activities			
Loss before income tax	(26,557)	7,763	(18,794)
Adjustments for:			
Finance costs	21,132	(8,144)	12,988
Interest income	(3)		(3)
Dividend income	(5,198)		(5,198)
Depreciation of property, plant and equipment	968		968
Depreciation of right-of-use assets	4,159		4,159
Provision for credit loss allowances on loan and interest receivables, net	1,433		1,433
Provision for credit loss allowances on trade receivables, net	125		125
Reversal of expected credit loss on loan commitment, net	(687)		(687)
Change in fair value and net realised loss from disposals of financial assets at fair value through profit or loss	12,919		12,919
Change in fair value of investment properties	3,125		3,125
Share-based payment expenses	17,498		17,498
Share of loss of an associate	371		371
Gain on disposal of subsidiaries	(973)		(973)
Gains from bargain purchases	(37)		(37)
Loss on early termination of a lease agreement	22		22
Transaction cost in relation to the Disposal	–	381	381
Rent concession in relation to COVID-19	(55)		(55)

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i>	Pro forma adjustment <i>HK\$'000</i>	Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i>
Operating cash flows before movements in working capital	28,242		28,242
Increase in inventories	(7,914)		(7,914)
Increase in loan and interest receivables	(36,832)		(36,832)
Decrease in financial assets at fair value through profit or loss	12,037		12,037
Increase in trade, bills and other receivables	(53,318)		(53,318)
Increase in contract assets	(8,109)		(8,109)
Decrease in pledged bank deposits	1,074		1,074
Increase in trade payables, accruals and other payables	38,394		38,394
Increase in contract liabilities	1,829		1,829
Cash used in operations	(24,597)		(24,597)
Income tax paid	(1,100)		(1,100)
Net cash used in operating activities	(25,697)		(25,697)
Cash flows from investing activities			
Interest received	3		3
Dividend received	5,198		5,198
Purchase of property, plant and equipment	(11,370)		(11,370)
Purchase of financial assets at fair value through other comprehensive income	(22,041)		(22,041)
Proceed from disposal of financial assets at fair value through other comprehensive income, net	36,692	58,031	94,723
Net cash inflow arising on acquisition of subsidiaries	4,934		4,934
Net cash inflow arising on disposal of subsidiaries	6,473		6,473
Capital injection from non-controlling interests	186		186
Net cash generated from investing activities	20,075	58,031	78,106

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i>	Pro forma adjustment <i>HK\$'000</i>	Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 December 2020 <i>HK\$'000</i>
Cash flows from financing activities			
Interest paid on bank and other borrowings	(20,536)	8,144	(12,392)
Proceeds from bank borrowings	80,000		80,000
Repayments of bank borrowings	(87,360)		(87,360)
Proceeds from other borrowings	11,328		11,328
Repayments of other borrowings	(40,680)		(40,680)
Receipts of government loans	9,856		9,856
Proceeds from issuance of shares upon rights issue and placing, net of transaction costs	53,807		53,807
Proceeds from issuance of shares upon exercise of share options	3,472		3,472
Repayment of lease liabilities – principal	(3,266)		(3,266)
Repayment of lease liabilities – interest	(214)		(214)
Net cash generated from financing activities	<u>6,407</u>	<u>8,144</u>	<u>14,551</u>
Net increase in cash and cash equivalents	785	66,175	66,960
Cash and cash equivalents at the beginning of the year	10,986		10,986
Effect of foreign exchange rates changes, net	<u>384</u>		<u>384</u>
Cash and cash equivalents at the end of the year			
– Cash and bank balances	<u><u>12,155</u></u>	<u><u>66,175</u></u>	<u><u>78,330</u></u>

Notes to the Unaudited Pro Forma Financial Information of the Group:

- (a) The Group's financial information is based upon the consolidated financial information of the Group for the year ended 31 December 2020, which has been derived from the Group's published annual report for the year then ended, dated 30 March 2021.
- (b) The adjustments represent the impact of the Disposal of an aggregate of 1,111,230,000 CMBC Shares (“**Disposal Shares**”) on the Group's consolidated statement of financial position. Assuming all Disposal Shares were disposed of on 31 December 2020, at the market price of HK\$0.134 on 31 December 2020, the Group would recognise an increase in cash and bank balances, after repayment of margin loans of the Group to which the Disposal Shares pledged, of approximately HK\$58,031,000 in the unaudited pro forma consolidated statement of financial position, which is calculated as follows:

Disposal price per each Disposal Share	HK\$0.134
Number of Disposal Shares	1,111,230,000
	<i>HK\$'000</i>
Cash proceeds from the Disposal	148,905
Less: Estimated transaction cost (<i>Note</i>)	(381)
Less: Repayment of margin loans of the Group to which the Disposal Shares pledged as at 31 December 2020	<u>(90,493)</u>
Net cash proceeds from the Disposal	<u><u>58,031</u></u>
Cash proceeds from the Disposal	148,905
Less: Carrying amount of the Disposal Shares as at 31 December 2020	<u>(148,905)</u>
	-
Less: Estimated transaction cost (<i>Note</i>)	<u>(381)</u>
Changes to reserves	<u><u>(381)</u></u>

Note: Estimated transaction cost represents the estimated brokers' handling fee directly attributable to the Disposal.

It should be noted that the minimum selling price of the Disposal is HK\$0.055 per Disposal Share, which is over 20% discount to the average of the closing price for five consecutive trading days immediately before 31 December 2020. As such, based on the terms of the disposal mandate, the transaction would not have occurred at HK\$0.055 per Disposal Share on 31 December 2020.

- (c) The adjustments represent the impact of the Disposal of the Disposal Shares on the Group's consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows.

Assuming all Disposal Shares were disposed of on 1 January 2020, at the market price of HK\$0.134 on 31 December 2020, the Group would recognise a decrease in loss and total comprehensive loss for the year of approximately HK\$7,763,000 in the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, and an increase in net proceeds from disposal of financial assets at fair value through other comprehensive income of approximately HK\$58,031,000 in the unaudited pro forma consolidated statement of cash flows, which are calculated as follows:

Disposal price	HK\$0.134
Number of Disposal Shares	1,111,230,000
	<i>HK\$'000</i>
Cash proceeds from the Disposal	148,905
Less: Estimated transaction cost (<i>Note</i>)	(381)
Less: Repayment of margin loans of the Group to which the Disposal Shares pledged as at 31 December 2020	<u>(90,493)</u>
Net cash proceeds from the Disposal	58,031
Add: Reversal of interest paid for the other borrowings that have been presented in the consolidated statement of cash flows of the Group for the year ended 31 December 2020	<u>8,144</u>
Increase in cash and cash equivalents	<u><u>66,175</u></u>

HK\$'000

Reversal of interest expenses of other borrowings that have been recognised in the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2020	8,144
Estimated transaction cost (<i>Note</i>)	<u>(381)</u>
Decrease in loss for the year	----- 7,763
Cash proceeds from the Disposal	148,905
Less: Carrying amount of the Disposal Shares as at 1 January 2020	<u>(158,906)</u>
	(10,001)
Reversal of changes in fair value of the Disposal Shares that have been recognised in other comprehensive loss in the consolidated financial statements of the Group for the year ended 31 December 2020	<u>10,001</u>
Increase in other comprehensive loss for the year	----- -
Decrease in total comprehensive loss for the year	<u><u>7,763</u></u>

Note: Estimated transaction cost represents the estimated brokers' handling fee directly attributable to the Disposal.

It should be noted that the minimum selling price of the Disposal is HK\$0.055 per Disposal Share, which is over 20% discount to the average of the closing price for five consecutive trading days immediately before 31 December 2020. As such, based on the terms of the disposal mandate, the transaction would not have occurred at HK\$0.055 per Disposal Share on 31 December 2020.

- (d) The adjustment in respect of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows above are not expected to have a continuing effect on the Group's consolidated financial statements.
- (e) The actual share price of CMBC Shares will likely be different from those stated in the unaudited pro forma financial information. Therefore, the estimated proceeds from the Disposal, net cash inflows from the Disposal and the cash and cash equivalents received by the Group as illustrated above are subject to change.

- (f) No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 31 December 2020 for the unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.
- (g) Assuming all Disposal Shares were disposed of on 31 December 2020, at the market price of HK\$0.134 on 31 December 2020, the Group has net current liabilities of approximately HK\$230,221,000 as at 31 December 2020. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the followings when they prepared the Unaudited Pro Forma Financial Information:

The current liabilities of the Group include bank borrowings of approximately HK\$215,520,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 17-23 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

The Group would sell part of its financial assets at fair value through other comprehensive income in order to improve the Group's financial position, liquidity and cash flows. In addition, the directors of the Company also consider several measures together with other measures in progress at the date of this circular which include taking stringent cost controls aiming at improving the working capital and cash flow position of the Group, equity fund raising and negotiating with certain bankers to obtain long-term banking facilities.

Taking into account of the above consideration and measures, the directors of the Company are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Unaudited Pro Forma Financial Information on a going concern basis.

Should the Group be unable to continue as going concern, adjustments would have to be made to the Unaudited Pro Forma Financial Information to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the Unaudited Pro Forma Financial Information.

**(B) INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountant, Moore Stephens CPA Limited, *Certified Public Accountants*, Hong Kong, in respect of the Group’s unaudited pro forma financial information for the purpose in this circular.

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雲**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF FUTURE WORLD HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future World Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2020, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year then ended and related notes as set out in Part A of Appendix III to the circular dated 23 July 2021 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed very substantial disposal in relation to the possible disposal of 1,111,230,000 ordinary shares of CMBC Capital Holdings Limited (the “**Disposal**”) on the Group’s financial position as at 31 December 2020, and the Group’s financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had taken place at 31 December 2020 and 1 January 2020, respectively. As part of this process, information about the Group’s financial position as at 31 December 2020, and the Group’s financial performance and cash flows for the year ended 31 December 2020 has been extracted by the Directors from the annual report of the Group for the year ended 31 December 2020, dated 30 March 2021, on which an audit report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “*Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“**HKSAE**”) 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at 31 December 2020 and 1 January 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Material Uncertainty Related to Going Concern

We draw attention to Note (g) to the unaudited Unaudited Pro Forma Financial Information, which indicates that the Group has pro forma net current liabilities of approximately HK\$230,221,000 as at 31 December 2020. This condition indicates a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Moore Stephens CPA Limited

Certified Public Accountants

Ng Ngai Yan

Practising Certificate Number: P07422

Hong Kong, 23 July 2021

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long position in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of Shares and underlying Shares	Approximate percentage of the total issued share capital of the Company
Siu Yun Fat	Beneficial owner	19,005,168 ^(note 1)	2.01%
Yu Qingrui	Beneficial owner	18,235,389 ^(note 2)	1.92%
Cai Linzhan	Beneficial owner	17,179,625 ^(note 3)	1.81%
Tam Tak Wah	Beneficial owner	13,367 ^(note 4)	0.001%

Notes:

1. Siu Yun Fat is interested in 3,440,000 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.
2. Yu Qingrui is interested in 2,670,221 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.
3. Cai Linzhan is interested in 1,614,457 Shares and 15,565,168 share options which confer him the right to subscribe for 15,565,168 Shares.
4. Tam Tak Wah is interested in 13,367 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executive of the Company) in the Shares, underlying Shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Long position in the Shares

Name	Capacity/ Nature of interest	Number of Shares and underlying Shares	Approximate percentage of the total issued share capital of the Company
HRG Robotics International Limited ("HRG Robotics") <i>(Note 1)</i>	Beneficial owner	189,080,000	20.0%
Zhang XiaoJun	Beneficial owner	60,000,000	6.35%

Notes:

- HRG Robotics is a company incorporated in Hong Kong in July 2017. HRG Robotics is wholly-owned by HIT Robot Group Shanghai Technology Service Co., Ltd.* (哈工大機器人集團上海科技服務有限公司), which in turn is wholly-owned by HIT Robot Group Co., Ltd.* (哈工大機器人集團股份有限公司) ("HIT Robot"). HIT Robot was established in December 2014 as an enterprise jointly set up by Heilongjiang provincial government, the municipal government of Harbin and Harbin Institute of Technology. Based on the public record, HIT Robot is owned as to 30.01% by Harbin Industrial University Asset Investment Company Limited* (哈爾濱工業大學資產投資經營有限責任公司) which is wholly-owned by Harbin Industrial University* (哈爾濱工業大學), 20.30% by HIT Qifu Investment Co., Ltd.* (哈爾濱工大啟賦投資有限公司) and the remaining equity interest is held by 12 individual, corporate entities or partnerships, each of them holds less than 10% equity interest in HIT Robot. HIT Robot and its subsidiaries (the "HIT Robot Group") are principally engaged in the design, development, manufacturing and sales of robots and specializes in robotics industry and related businesses. Mr. Wang Fei, an executive Director of the Company, is also the chairman of HIT Robot. Mr. Wang is interested in approximately 59.99% of HIT Qifu Investment Co., Ltd.* (哈爾濱工大啟賦投資有限公司).

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, Mr. Yu Qingrui is a director of Central Wealth Group Holdings Limited (“**Central Wealth**”), the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 139), and holds 126,845,610 shares in Central Wealth respectively, representing approximately 0.79% of the issued share capital of Central Wealth whose principal activities are securities and futures dealing business, financial investment, property investments and money lending business. The Company and Central Wealth are separate listing entities run by separate and independent management. Mr. Yu Qingrui cannot personally control the Board and is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, Central Wealth.

As at the Latest Practicable Date, Mr. Tam Tak Wah held directorships in Kingbo Strike Limited (Stock Code: 1421) with its subsidiaries engaged in the businesses of securities trading and investment, provision of financing services and investment in properties, Mr. Siu Siu Ling, Robert held directorship in China Saite Group Company Limited (Stock Code: 153) and Finet Group Limited (Stock Code: 8317) and Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Wang Fei and Mr. Chen Pei held directorships in companies, which are companies in association with the HIT Robot Group, engaged in high technology business.

The aforesaid companies have been operating under separate and independent managements. None of the abovementioned Directors can personally control the Board and each of them is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the Directors or their respective associates were considered to have interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2019 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contract (not being contract in the ordinary course of business of the Company) has been entered into by members of the Group within two years immediately preceding the date of this circular which is or may be material:

- (1) the conditional sale and purchase agreement dated 3 July 2019 and entered into between Weng Shiqing and Lin Zherui as vendors and Best Pacific Global Limited, a direct wholly-owned subsidiary of the Company as purchaser in respect of the acquisition of the entire issued share capital of Rich Power International Holdings Limited at the consideration of HK\$148,000,000;

- (2) the underwriting agreement dated 22 May 2020 and entered into between the Company as issuer and Central Wealth Securities Investment Limited as underwriter in relation to the underwriting arrangement in respect of the rights issue on the basis of one (1) rights share (after share consolidation of the issued and unissued shares on the basis of twenty (20) then existing Shares into one (1) consolidated share) for every two (2) consolidated shares held on the record date at the subscription price of HK\$0.18 per rights share; with underwriting commission of 5% of the aggregate subscription price;
- (3) the placing agreement dated 22 May 2020 and entered into between the Company as issuer and Po Tai Securities (Hong Kong) Limited as placing agent in relation to the placing of unsubscribed rights shares at the subscription price of HK\$0.18 per rights share; with placing commission at the rate of 3.5% of the shares successfully placed;
- (4) the supplemental agreement dated 7 October 2020 and entered into between Globally Finance Limited, a wholly owned subsidiary of the Company as lender and Central Wealth Group Holdings Limited (formerly known as China Soft Power Technology Holdings Limited) as borrower in relation to the extension of the loan facility in the principal amount of up to HK\$270,000,000 and the revision of interest rate from 8% per annum to 7% per annum; and
- (5) the sale and purchase agreement dated 20 May 2021 and entered into between Topsy Eagle Limited, a wholly owned subsidiary of the Company as purchaser and Lam Yan Bing as vendor in relation to the acquisition of the property located at G/F, No. 20, Kwun Chung Street, Kowloon, Hong Kong for a consideration of HK\$40,000,000.

9. CORPORATE INFORMATION OF THE GROUP

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarter and principal place of business in Hong Kong	Unit 2218, 22/F The Metropolis Tower 10 Metropolis Drive Hung Hom, Kowloon Hong Kong

Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shop 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Company secretary	Mr. Lau Cheuk Pun, <i>a member of the Hong Kong Institute of Certified Public Accountants.</i>

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

Expert	Qualification
Moore Stephens CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name in the form and context in which they are included. As at the Latest Practicable Date, the above expert is not beneficially interested in the share capital of any member of the Group and does not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, the above expert does not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum of association and the articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2018, 2019 and 2020;
- (c) the material contract referred to in the paragraph headed “Material contracts” of this appendix;
- (d) independent reporting accountant’s assurance report from Moore Stephens CPA Limited in respect of the unaudited pro forma financial information of the Group as set out in Appendix III to this circular;
- (e) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix; and
- (f) this circular.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Future World Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Wednesday, 18 August 2021 at Unit 2218, 22/F, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the disposals (the “**Disposals**”, each a “**Disposal**”) by the Company and/or its subsidiaries (collectively the “**Group**”) in tranches in the open market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in the off market by 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 Securities and Futures Ordinance, of up to 1,111,230,000 shares (“**Approved Sale Shares**”) of HK\$0.01 (“**CMBC Shares**”) in the share capital of 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) during the period of 12 months from the date of passing of this resolution (unless revoked or varied by ordinary resolution of the shareholders in general meeting of the Company) (the “**Mandate Period**”) be and are hereby approved subject to the following conditions:
- (i) each Disposal in the open market or in the off-market shall be at market price 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; and

NOTICE OF EGM

- (b) if and when there shall be any alteration to the nominal value of the CMBC Shares as a result of consolidation, subdivision or reclassification during the Mandate Period (“**Capital Changes**”), the number of Approved Sale Shares shall be adjusted accordingly and the minimum selling price per Approved Sale Shares shall be adjusted by multiplying HK\$0.055 by the total number of CMBC Shares in issue immediately before the Capital Changes and divided by the total number of CMBC Shares in issue immediately thereafter;
- (c) any directors of the Company (the “**Directors**”) be and are hereby authorized and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposals from time to time during the Mandate Period, including but not limited to, the number of batches of disposals, the number of Approved Sale Shares to be sold in each disposal, the timing of each disposal, the manner of disposal or sales in the open market or in the off market, the target purchasers, and the selling price (subject to the parameters set out above) and to do all such acts and things, including but not limited to, execution of all documents which the Directors deem necessary, appropriate or desirable to implement and give full effect to the Disposal and the transactions contemplated thereunder or in connection with the exercise of the Disposal; and
- (d) the previous mandate for the disposal(s) of CMBC Shares as approved and passed by the shareholders on the extraordinary general meeting of the Company held on 4 August 2020 be terminated with effect from the date of passing this resolution.”

Yours faithfully,
For and on behalf of
the board of Directors of
Future World Holdings Limited
Liang Jian
Chairman

Hong Kong, 23 July 2021

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

Unit 2218, 22/F
The Metropolis Tower
10 Metropolis Drive
Hung Hom, Kowloon
Hong Kong

NOTICE OF EGM

Notes:

1. A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. If no name is inserted in the space for the name of your proxy on the form of proxy, the chairman of the EGM will act as your proxy.
6. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East Wan Chai, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment of such meeting.
7. Personal Information Collection Statement: Your supply of Personal Data to the Company and/or the Company's Registrars in Bermuda and Hong Kong in the form of proxy is on a voluntary basis. If you fail to provide sufficient information, we may not be able to process your appointment of proxy and instructions. "Personal Data" in this statement has the meaning defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "PDPO"), which may include but is not limited to the Personal Data you supplied to us in the form of proxy. Your Personal Data is collected for the purposes of processing and administration by the Company (or its Registrars in Bermuda and Hong Kong (as the case may be)) of proxies appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) (the "Purposes"). The Personal Data may be retained for such period as may be necessary for our verification and record purposes. If you have provided Personal Data of individuals other than yourself in the form of proxy, you confirm that you have informed and sought the requisite consent from those individuals to the collection, use and disclosure of their Personal Data for the stated purposes. The Company may disclose or transfer the Personal Data to its subsidiaries, its Registrars, its agent, its contractor, and/or third party service provider who provides administrative, computer and other services to the Company for use in connection with the Purposes and to such parties who are authorised by law to request the Personal Data or are otherwise relevant for the Purposes and need to receive the Personal Data. You have the right to request access to and/or correction of your Personal Data respectively in accordance with the provisions of the PDPO.
8. The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.
9. As at the date of this notice, the Board comprises (i) seven executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Wang Fei and Mr. Yu Qingrui; and (ii) four independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.

NOTICE OF EGM

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.