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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)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF EQUITY INTERESTS IN A PRC SUBSIDIARY**

On 10 January 2022 (after trading hours), the Vendor entered into the conditional Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Capital for a cash consideration of RMB1.00. The Target Company will cease to be a subsidiary of the Company and the financial results and financial position of the Target Company will no longer be consolidated into the financial statements of the Group.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

On 10 January 2022 (after trading hours), the Vendor entered into the conditional Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Capital for an aggregate consideration of RMB1.00 subject to and conditional upon the terms of the Sale and Purchase Agreement.

Sale and Purchase Agreement

Date: 10 January 2022 (after trading hours)

Parties: (1) Vendor

(2) Purchaser

The Vendor is a limited liability company established in PRC and a wholly-owned subsidiary of the Company. Before Completion, the Vendor is the registered holder of 55% of the registered capital of the Target Company.

The Purchaser is a limited liability company established in PRC and is principally engaged in trading and software development and its ultimate beneficial owner is Mr. Zhou Enwei. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner is Independent Third Parties.

Assets to be disposed

Before completion of the Sale and Purchase Agreement, the Target Company has a registered capital of approximately RMB10,000,000, which is owned as to 55% by the Vendor. The paid up capital of the Target Company as at the date of the Sale and Purchase Agreement is approximately RMB2,210,000.

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to dispose and the Purchaser has agreed to acquire the Sale Capital, representing 55% equity interest in the Target Company subject to and conditional upon the terms and conditions of the Sale and Purchase Agreement.

Consideration

The consideration for the Disposal is RMB1.00, which shall be payable by the Purchaser in cash upon Completion.

The consideration for the Disposal was determined with reference to various factors, among others, the net asset value and financial position of the Target Company and arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement. In light of the net liabilities position of the Target Company, the Directors (including the independent non-executive Directors) consider the terms of the Sale and Purchase Agreement (including but not limited to the consideration) to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Sale and Purchase Agreement is not subject to any conditions precedent.

Effective Date

The Sale and Purchase Agreement shall be effective from the date of duly signing and sealing of the Sale and Purchase Agreement by the parties thereto.

Completion

Completion of transfer of the Sale Capital will take place on the date of completion of registration of the transfer of Sale Capital with the relevant PRC authority, which shall be completed within one month (or such longer period as the Vendor and the Purchaser may agree) from the date of the Sale and Purchase Agreement. The Purchaser shall be responsible for all costs and losses of the Target Company from the date of the Sale and Purchase Agreement.

With transfer of control of the Target Company upon the Sale and Purchase Agreement having become effective, the Target Company will no longer be accounted as a subsidiary of the Company and the financial results and financial position of the Target Company will no longer be consolidated into the financial statements of the Group. The Vendor will cease to hold any interests in the Target Company upon completion of the Sale and Purchase Agreement.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC and is principally engaged in artificial intelligence products and application solutions business in the PRC. Before completion of the Sale and Purchase Agreement, the Target Company has a registered capital of approximately RMB10,000,000, which is owned as to 55% by the Vendor and as to 35% by 廣州壹文鼎盛投資管理有限公司 (Guangzhou Yiwen Dingsheng Investments Management Co., Ltd.)# and 10% by 匯鉅企業管理(上海)合夥企業(有限合夥)(Huiju Enterprises Management (Shanghai) Limited Partnership (LLP))#.

The unaudited financial information of the Target Company for the two years ended 31 December 2021 and prepared in accordance with the accounting principles generally accepted in Hong Kong/in the PRC are as follows:

	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2021 RMB'000
Turnover	20,583	36
Net profit(loss) before taxation	2,729	(2,568)
Net profit(loss) after taxation	2,487	(2,570)
Net asset(liabilities) value as at year end	2,510	(114)

REASONS AND BENEFITS FOR THE DISPOSAL

The Group is principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; (vii) investment in film industry; and (viii) licensing of e-commerce platform.

Based on the net liabilities position of unaudited management accounts of the Target Company as of 31 December 2021, it is estimated that upon Completion, the Group will record a gain of approximately RMB63,000 on the Disposal. After deducting the expenses relating to the Disposal, it is expected that there will be no net proceeds. The actual gain or loss as a result of the Disposals to be recorded by the Group is subject to audit to be performed by the Company's auditors.

The Board is of the view that the Disposal provides a good opportunity for the Group to realise its investment in the Target Company and focus its resources to develop its existing businesses. As a result of the global outbreak of the COVID-19 pandemic, the trading and economic environment has been becoming difficult. The Target Company has been in loss making position in the year ended 31 December 2021 and the Company is not optimistic with its future performance. Moreover, the Group would be released from its commitment to pay up the remaining registered capital of the Target Company. The Disposal is in line with the strategy of the Group as resources, both financial and manpowers, will be used to develop the existing businesses of the Group having better prospect.

Whilst the high technology business segment of the Group has continued to contribute to the Group for the year ended 31 December 2021, in light the disruption in global supply chain as a result of the COVID-19 pandemic and the increasing geopolitical tension between China and other countries and sanctions having imposed on various high technology China enterprises, the Group is in the course of reviewing its high technology business and it is expected that the revenue contribution by the high technology business segment of the Group in the forthcoming years may be much less in comparison with those in the previous years. The Company will continue to review its business portfolio and will make necessary adjustments to fit in the trading and economic environment that is in the interests of the Company and the Shareholders as a whole.

Taking into consideration of the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	board of the Directors
“Company”	Future World Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Disposal”	the disposal of the Sale Capital as contemplated under the Sale and Purchase Agreement
“Group”	the Company together with its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	揚州桓武科技有限公司(Yangzhou Huanwu Technology Co., Ltd.)#, a limited liability company established in the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 January 2022 and entered into between the Purchaser and the Vendor in respect of the disposal of Sale Capital
“Sale Capital”	55% equity interest of the Target Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	江蘇未徠哈工漫威機器人有限公司(Jiangsu Weilai Hagong Manwei Robot Co., Ltd.)#, a limited liability company established in the PRC
“Vendor”	江蘇未徠棟楠科技有限公司(Jiangsu Weilai Dongnan Technology Co., Ltd.)#, being the indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

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

Hong Kong, 10 January 2022

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence 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.

The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.