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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 51% EQUITY INTERESTS OF A PRC SUBSIDIARY**

On 2 January 2023, the Vendor entered into the Agreement with the Purchaser and the Target Company pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Capital for a total cash consideration of RMB1,500,000. The Sale Capital represents 51% share capital of the Target Company.

As the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Disposal and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and should be subject to the announcement requirements under Chapter 14 of the Listing Rules.

As such, the failure by the Company to comply with the requirements in respect of Disposal in a timely manner constituted non-compliance with Chapter 14 of the Listing Rules.

THE DISPOSAL

On 2 January 2023, the Vendor entered into the Agreement with the Purchaser and the Target Company pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Capital for a total cash consideration of RMB1,500,000.

The Agreement

Date: 2 January 2023

Parties: (1) Vendor
(2) Purchaser
(3) Target Company

The Purchaser is a company established in the PRC with limited liability and is principally engaged in computer engineering and manufacturing of electronic equipment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner(s) of the Purchaser are 史燕川, 馮仁勇, 嚴瑾, 黃義 and 馮頂磊 and the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

The Vendor is an indirect wholly owned subsidiary of the Company established in the PRC and is principally engaged in high technology segment business.

The Target Company is a company established in the PRC and is owned as to 51% by the Vendor prior to the entering into of the Agreement.

Assets to be disposed

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Capital, representing 51% share capital of the Target Company.

Upon completion of the Agreement, the Group has ceased to hold any interests in the Target Company.

Consideration

The total consideration payable by the Purchaser to the Vendor under the Agreement is RMB1,500,000, which be payable by the Purchaser to the Vendor in cash, as to RMB750,000 be payable within 15 days from the date of the Agreement and as to the remaining balance of RMB750,000 be payable upon completion of registration of transfer of the Sale Capital. As at the date of this announcement, the consideration has been fully settled by the Purchaser.

The consideration for the Disposal was determined with reference to the financial position of the Target Company and arrived at after arm's length negotiations between the relevant parties to the Agreement. The Directors (including the independent non-executive Directors) consider the terms of the Disposal (including but not limited to the consideration) 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 Agreement is not subject to any conditions precedent.

Completion

Completion of the Disposal has taken place in early 2023 in accordance with the terms and conditions of the Agreement.

Upon Completion, the Vendor ceases to have interests in the Sale Capital and the Target Company ceases to be a non-wholly owned subsidiary of the Group and the Group ceases to hold any interests in the Target Group.

INFORMATION ON THE TARGET COMPANY

Prior to the entering into of the Agreement, the Target Company was a 51% non-wholly owned subsidiary of the Group and its 51% share capital was held by the Vendor. The Target Company is a company established in the PRC with limited liability and the Target Group is principally engaged in intelligent industrial welding robots and equipment business in the PRC.

Set out below is the financial information of Target Group based on the financial statements of the Group:

	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>RMB</i>	<i>RMB</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	13,855	40,341
Profit (Loss) before taxation	(16,213)	(14,672)
Profit (Loss) after taxation	(15,207)	(14,785)
Net assets/(liabilities) value	(4,000)	2,655

Based on accounts of the Target Group, the net liabilities value of the Target Group as at 31 December 2022 amounted to approximately RMB4,000,000.

REASONS FOR THE DISPOSAL

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

Based on the net liabilities position of the Target Group as of 31 December 2022, it is estimated that upon Completion, the Group will record a gain of approximately RMB3.5 million on the Disposal. After deducting the expenses relating to the Disposal, it is expected that there will be net proceeds of approximately RMB1.5 million, which shall be utilized for business development of the Group. The actual gain or loss as a result of the Disposal 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 in the past few years, the trading and economic environment has been becoming difficult and the Group considers that it shall be in the interests of the Group to consolidate its resources. The Target Company has been in loss making position in the year ended 31 December 2022. The Disposal is in line with the strategy of the Group as resources, both financial and manpower, will be used to develop the existing businesses of the Group having better prospect.

The Disposal did not and does not affect the daily operations and businesses of the Group 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 the relevant percentage ratio(s) exceed 5% but all relevant percentage ratios are below 25%, the Disposal and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement requirements under Chapter 14 of the Listing Rules.

As such, the failure by the Company to comply with the requirements in respect of the Disposal in a timely manner constituted non-compliance with Chapter 14 of the Listing Rules. The failure to make timely disclosure in time was due to its inadvertent oversight and a misunderstanding by the management of the relevant subsidiaries of the application of the relevant Listing Rules.

REMEDIAL ACTIONS

The Company expresses its regrets for its non-compliance with the Listing Rules but the Company would like to stress that the non-compliance was inadvertent. The management of relevant subsidiaries intend to conduct the Disposal in order to streamline the business operations. However, due to their misunderstanding, the relevant subsidiaries did not report the Disposal to the Board and the Company in a timely manner. Once learnt about the Disposal, a Board meeting was held to ratify the matter.

To prevent and avoid similar non-compliance from occurring in the future, the Company has promptly taken the following remedial measures and actions:

- (1) the company secretarial department of the Company shall continue to oversee and monitor the Company's on-going compliance with the Listing Rules;

- (2) relevant trainings and reminders have been provided to the management of the subsidiaries of the Group, in particular on the relevant requirements and procedures for notifiable transaction with emphasis of the importance of identifying such transactions prior to execution;
- (3) the Company should, as and when appropriate and necessary, seek its external legal or other professional advice as to any action required to be taken in relation to any proposed transactions or events in the future; and
- (4) review on transactions will be conducted on a regular basis.

Going forward, the Company will make such disclosure in a timely manner to ensure compliance with the Listing Rules.

The Company is not aware of any other non-compliance with Chapters 14 and 14A of the Listing Rules as at the date of this announcement.

DEFINITIONS

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

“Agreement”	the agreement dated 2 January 2023 and entered into among the Vendor, the Purchaser and the Target Company in relation to the Disposal
“associates”	has the meaning ascribed to it under the Listing Rules
“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 Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the 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 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 core connected persons of the Company and are third parties independent of the Company and its core connected persons in accordance with the Listing Rules
“Purchaser”	合肥哈工聚暉智能科技有限公司, an Independent Third Party
“Sale Capital”	51% of the share capital 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”	合肥哈工焊研威達自動化科技有限公司
“Target Group”	together the Target Company and its subsidiary
“Vendor”	合肥哈工威達智能裝備有限公司, being a subsidiary of the Company

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 24 August 2023

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