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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 TRANSACTIONS IN RELATION TO
(1) THE ACQUISITION OF EQUITY INTEREST AND THE
ASSIGNMENT OF SHAREHOLDER'S LOAN IN MLH PROPERTY; AND
(2) THE ACQUISITION OF EQUITY INTEREST IN
ZHI YING PROPERTY**

THE FIRST SALES AND PURCHASE AGREEMENT

The Board is pleased to announce that, on 18 March 2024 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the First Sales and Purchase Agreement with Vendor A, pursuant to which the Purchaser has conditionally agreed to acquire and take assignment of, and Vendor A has conditionally agreed to sell and assign, the entire equity interest in MLH Property and the Shareholder's Loan at considerations of RMB3,400,000 and RMB32,000,000, respectively. Upon the First Completion, MLH Property will become an indirect wholly-owned subsidiary of the Company.

THE SECOND SALES AND PURCHASE AGREEMENT

On the same date (after trading hours), MLH Property (a wholly-owned subsidiary of the Company upon the First Completion) entered into the Second Sales and Purchase Agreement with Vendor B, pursuant to which MLH Property has conditionally agreed to acquire, and Vendor B has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000. Upon the Second Completion, Zhi Ying Property will become an indirect wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios of the Acquisitions, on an aggregate basis, are more than 5% but all applicable percentage ratios are less than 25%, the Acquisitions constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

INTRODUCTION

The Board is pleased to announce that, on 18 March 2024 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the First Sales and Purchase Agreement with Vendor A, pursuant to which the Purchaser has conditionally agreed to acquire and take assignment of, and Vendor A has conditionally agreed to sell and assign, the entire equity interest in MLH Property and the Shareholder's Loan at considerations of RMB3,400,000 and RMB32,000,000, respectively. Upon the First Completion, MLH Property will become an indirect wholly-owned subsidiary of the Company.

On the same date (after trading hours), MLH Property (a wholly-owned subsidiary of the Company upon the First Completion) entered into the Second Sales and Purchase Agreement with Vendor B, pursuant to which MLH Property has conditionally agreed to acquire, and Vendor B has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000. Upon the Second Completion, Zhi Ying Property will become an indirect wholly-owned subsidiary of the Company.

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

THE FIRST SALES AND PURCHASE AGREEMENT

Date	18 March 2024 (after trading hours)
Parties	(1) the Purchaser (as purchaser); and (2) Vendor A (as vendor).

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

Subject matter

The Purchaser has conditionally agreed to acquire and take assignment of, and Vendor A has conditionally agreed to sell and assign, the entire equity interest in MLH Property and the Shareholder's Loan at considerations of RMB3,400,000 and RMB32,000,000, respectively.

Considerations and payment terms

In respect of the entire equity interest in MLH Property, the Purchaser shall pay the consideration of RMB3,400,000 in full to Vendor A within 90 days after the date of the First Completion.

The consideration of RMB3,400,000 for the entire equity interest in MLH Property was determined after arm's length negotiations between the Purchaser and Vendor A with reference to (i) the appraised value of the Target Group based on the Valuation; (ii) the capital contribution of RMB13,200,000 by way of a debt-for-equity swap with the shareholder's loan provided by Vendor A to MLH Property in the carrying amount of RMB13,200,000 on 21 February 2024 (the "**Capital Contribution**"); and (iii) the exclusion of the consideration for the acquisition of 10% equity interest in Zhi Ying Property of RMB3,900,000. For details of the acquisition of 10% equity interest in Zhi Ying Property, please refer to "THE SECOND SALES AND PURCHASE AGREEMENT" below.

The Valuation is based on fair value and the Valuer adopted an asset-based approach to determine the value of identifiable assets and liabilities of the Target Group as set out in their unaudited balance sheet as at 31 January 2024.

In determining the valuation approaches, the Valuer considered three generally accepted valuation approaches, namely the income approach, asset-based approach and market approach. The income approach requires subjective assumptions and financial projections which are unavailable given the Target Group comprises property holding companies. Comparable market multiples cannot be applied under the market approach for the same reason.

Among the three approaches, the asset-based approach is the most appropriate methodology to determine the fair value of the Target Group. This approach values an enterprise based on the fair value of its identifiable assets and liabilities. As the Target Group primarily hold bank balances, receivables and Properties, plant and equipment, the asset-based approach is considered suitable.

In respect of the Shareholder's Loan, the Purchaser shall pay part of the consideration of RMB20,000,000 to Vendor A within 90 days after the date of the First Completion, and pay the remaining consideration of RMB12,000,000 to Vendor A within 180 days after the date of the First Completion.

The consideration of RMB32,000,000 for the Shareholder's Loan was determined after arm's length negotiations between the Purchaser and Vendor A, after considering the carrying amount of the Shareholder's Loan of RMB32,000,000 as at the date of the First Sales and Purchase Agreement.

Conditions precedent

Pursuant to the First Sales and Purchase Agreement, the First Completion is conditional upon the following conditions being fulfilled:

- (1) each of the representations, warranties, and undertakings of Vendor A in the First Sales and Purchase Agreement shall be true, accurate, and not misleading in all material respects from the date of the First Sales and Purchase Agreement to the date of the First Completion;
- (2) the Purchaser has completed legal due diligence on the Target Group and is satisfied with the results;
- (3) from the date of the First Sales and Purchase Agreement to the date of the First Completion, there has been no material adverse change in the business or financial condition of the Target Group in the reasonable opinion of the Purchaser; and
- (4) all necessary consents, approvals, licenses, and authorisations for the sale and transfer of the entire equity interest in MLH Property and the assignment of the Shareholder's Loan, including but not limited to approval for funds inflow, approval from commercial authority or foreign exchange authority, board resolution of the Company (the parent company of the Purchaser), and approval from the Hong Kong Stock Exchange or other relevant regulatory authorities (if applicable).

The Purchaser may waive any or all conditions precedent above by written notice to Vendor A. If any of the above conditions precedent have not been fulfilled or waived within 90 days from the date of the First Sales and Purchase Agreement, the Purchaser shall not be obliged to complete the transactions under the First Sales and Purchase Agreement and shall be entitled to terminate the First Sales and Purchase Agreement by written notice to Vendor A.

Completion

According to the First Sales and Purchase Agreement, within 20 Business Days from the date when all conditions precedent are fulfilled, Vendor A shall procure MLH Property to arrange the registration and/or filing procedure in relation to the transfer of the entire equity interest in MLH Property with the relevant business registration authority.

The First Completion is deemed to take place on the date of the above registration and/or filing and the entire equity interest in MLH Property is registered under the name of the Purchaser. The assignment of the Shareholder's Loan shall take place on the date of the First Completion.

Upon the First Completion, MLH Property will become an indirect wholly-owned subsidiary of the Company and the financial results, assets and liabilities of MLH Property will be consolidated into the consolidated financial statements of the Group.

THE SECOND SALES AND PURCHASE AGREEMENT

Date 18 March 2024 (after trading hours)

Parties (1) MLH Property (as purchaser); and
(2) Vendor B (as vendor).

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

Subject matter

MLH Property has conditionally agreed to acquire, and Vendor B has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at the consideration of RMB3,900,000.

Consideration and payment terms

MLH Property shall pay the consideration of RMB3,900,000 in full to Vendor B within 90 days after the date of the Second Completion.

The consideration of RMB3,900,000 for 10% equity interest in Zhi Ying Property was determined after arm's length negotiations between MLH Property and Vendor B with reference to, among others; (i) the appraised value of the Target Group based on the Valuation; and (ii) the pro-forma adjustment of the Capital Contribution.

Conditions precedent

Pursuant to the Second Sales and Purchase Agreement, the Second Completion is conditional upon the following conditions being fulfilled:

- (1) the registration and/or filing procedure in relation to the transfer of the entire equity interest in MLH Property with the relevant business registration authority is completed, and that the Purchaser has been registered as the sole shareholder of MLH Property;

- (2) each of the representations, warranties, and undertakings of Vendor B in the Second Sales and Purchase Agreement shall be true, accurate, and not misleading in all material respects from the date of the Second Sales and Purchase Agreement to the date of the Second Completion;
- (3) from the date of the Second Sales and Purchase Agreement to the date of the Second Completion, there has been no material adverse change in the business or financial condition of Zhi Ying Property in the reasonable opinion of the Purchaser; and
- (4) all necessary consents, approvals, licenses, and authorisations for the sale and transfer of 10% equity interest in Zhi Ying Property, including but not limited to approval for funds inflow, approval from commercial authority or foreign exchange authority, board resolution of the Company (the parent company of MLH Property upon the First Completion), and approval from the Hong Kong Stock Exchange or other relevant regulatory authorities (if applicable).

MLH Property may waive any or all conditions precedent above by written notice to Vendor B. If any of the above conditions precedent have not been fulfilled or waived within 90 days from the date of the Second Sales and Purchase Agreement, MLH Property shall not be obliged to complete the transactions under the Second Sales and Purchase Agreement and shall be entitled to terminate the Second Sales and Purchase Agreement by written notice to Vendor B.

Completion

According to the Second Sales and Purchase Agreement, within 20 Business Days from the date when all conditions precedent are fulfilled, Vendor B shall procure Zhi Ying Property to arrange the registration and/or filing procedure in relation to the transfer of 10% equity interest in Zhi Ying Property with the relevant business registration authority.

The Second Completion is deemed to take place on the date of the above registration and/or filing and 10% equity interest in Zhi Ying Property is registered under the name of MLH Property.

Upon the Second Completion, Zhi Ying Property will become an indirect wholly-owned subsidiary of the Company and the financial results, assets and liabilities of Zhi Ying Property will be consolidated into the consolidated financial statements of the Group.

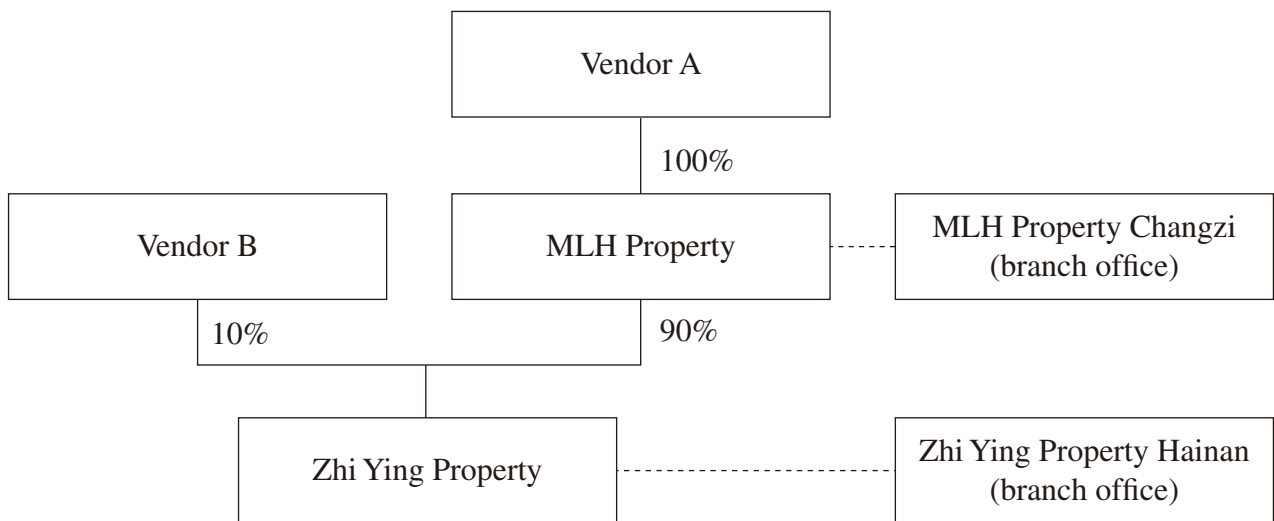
INFORMATION ON THE TARGET GROUP

MLH Property is a company established in the PRC with limited liability on 20 June 2014. It is principally engaged in real estate and property services in the PRC. As at the date of this announcement, it is wholly-owned by Vendor A.

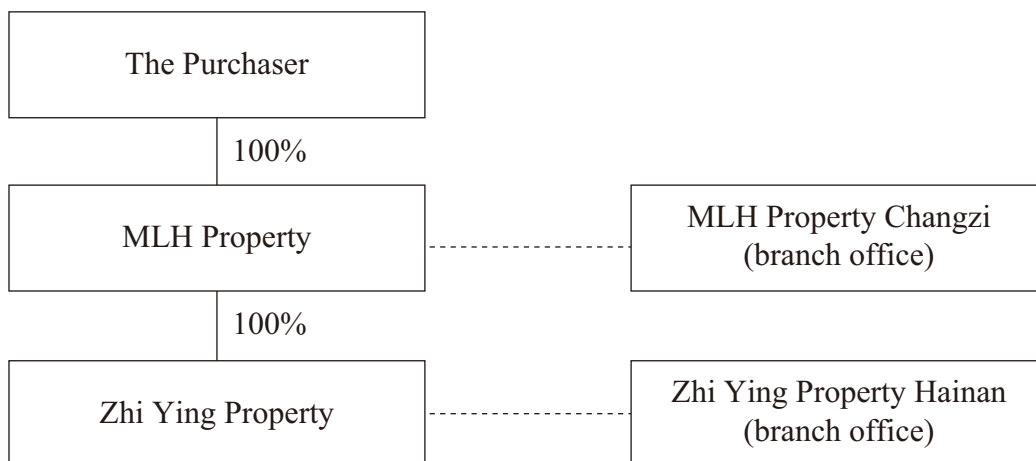
Zhi Ying Property is a company established in the PRC with limited liability on 13 March 2018. Zhi Ying Property is principally engaged in real estate and property management in the PRC. As at the date of this announcement, Zhi Ying Property is owned as to 90% and 10% by MLH Property and Vendor B, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, MLH Property, Zhi Ying Property and their ultimate beneficial owners are Independent Third Parties.

As at the date of this announcement, the shareholding structure of the Target Group is as follows:



Upon the First Completion and the Second Completion, the shareholding structure of the Target Group will be as follows:



Below is a summary of the unaudited consolidated financial information of the Target Group prepared in accordance with generally accepted accounting principles in the PRC for the two years ended 31 December 2023:

	For the year ended 31 December 2023 (unaudited) RMB'000	For the year ended 31 December 2022 (unaudited) RMB'000
Revenue	7,326	6,965
Net loss before taxation and extraordinary items	5,265	1,740
Net loss after taxation and extraordinary items	5,293	1,847

The unaudited net liabilities of the Target Group as at 31 December 2023 was approximately RMB9,700,000.

Below is a summary of the unaudited financial information of Zhi Ying Property prepared in accordance with generally accepted accounting principles in the PRC for the two years ended 31 December 2023:

	For the year ended 31 December 2023 (unaudited) RMB'000	For the year ended 31 December 2022 (unaudited) RMB'000
Revenue	984	394
Net loss before and after taxation and extraordinary items	4,103	3,394

The unaudited net asset value of Zhi Ying Property as at 31 December 2023 was approximately RMB34,800,000.

INFORMATION ON THE OTHER PARTIES

The Purchaser is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of the Company and principally engaged in investment holding.

Vendor A is Hao Xiaorun, a Chinese businessman who has been in the property services and management industry for over 10 years and the sole shareholder of MLH Property as at the date of this announcement. Vendor B is Cui Zhijun, a Chinese businessman who has been in the property services and management industry for over 10 years and a 10% shareholder of Zhi Ying Property as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Vendor A and Vendor B are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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

The Group has been continuously exploring suitable opportunities to expand and optimise its property investment portfolio, with the objectives of generating stable rental income and capital appreciation to maximise the Shareholders' interests.

As at the date of this announcement, the Target Group owns and manages various properties across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai. The Directors considered that the Acquisitions represent an investment opportunity to expand the Group's service offerings to property management and diversified the Group's property investment portfolio in the aforementioned regions in the PRC. In addition, the Group may reap the benefits from the long term potential appreciation of the properties held by the Target Group.

The Directors are optimistic to the property market in China in the long run and in view of the above, the Directors believe that it is an appropriate time to enter into the Sale and Purchase Agreements, and the Directors consider that the terms and conditions of the Sale and Purchase Agreements and the transactions contemplated thereunder are on normal commercial terms and are reasonable and fair and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios of the Acquisitions, on an aggregate basis, are more than 5% but all applicable percentage ratios are less than 25%, the Acquisitions constitute discloseable transactions of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

DEFINITIONS

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

“Acquisitions”	collectively, the acquisition of the entire equity interest in MLH Property and the assignment of the Shareholder’s Loan under the First Sales and Purchase Agreement and the acquisition of 10% equity interest in Zhi Ying Property under the Second Sales and Purchase Agreement
“Board”	the board of directors of the Company
“Business Day(s)”	any day except Saturday, Sunday and statutory holiday(s) in the PRC
“Company”	Future World Holdings Limited (未來世界控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on Main Board of the Stock Exchange (stock code: 572)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Completion”	completion of the First Sales and Purchase Agreement
“First Sales and Purchase Agreement”	the sales and purchase agreement entered into between the Purchaser and Vendor A on 18 March 2024 in respect of the acquisition of the entire equity interest in MLH Property and the assignment of the Shareholder’s Loan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MLH Property”	Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司), which is wholly-owned by Vendor A as at the date of this announcement
“MLH Property Changzi”	Changzi Branch of Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司長子分公司), a branch office of MLH Property
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Purchase Agreements”	collectively, the First Sales and Purchase Agreement and the Second Sales and Purchase Agreement
“Second Completion”	completion of the Second Sales and Purchase Agreement
“Second Sales and Purchase Agreement”	the sales and purchase agreement entered into between MLH Property and Vendor B on 18 March 2024 in respect of the acquisition of 10% equity interest in Zhi Ying Property
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the non-interest bearing and unsecured shareholder’s loan provided by Vendor A to MLH Property in the carrying amount of RMB32,000,000 to be assigned to the purchaser as the date of the First Sales and Purchase Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	MLH Property and Zhi Ying Property
“Valuation”	the valuation of the consolidated negative net worth of the Target Group as at 31 January 2024 (the assessment benchmark date) by the Valuer at approximately RMB5,900,000 based on the asset-based approach
“Valuer”	Masterpiece Valuation Advisory Limited (睿力評估諮詢有限公司), an Independent Third Party engaged by the Company for the purpose of appraisal of the value of the Target Group
“Vendor A”	Hao Xiaorun (郝曉潤)
“Vendor B”	Cui Zhijun (崔志軍)
“Zhi Ying Property”	Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司), which is owned as to 90% and 10% by MLH Property and Vendor A, respectively, as at the date of this announcement
"Zhi Ying Property Hainan"	Hainan Branch of Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司海南分公司), a branch office of Zhi Ying Property
“%”	per cent

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

Hong Kong, 18 March 2024

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

* For identification purpose only