

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 IN RELATION TO THE  
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN  
THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that, on 2 October 2024 (after trading hours), the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Sales and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire equity interest in the Target Company at a consideration of RMB15,000,000. Upon the Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company.

**IMPLICATIONS UNDER THE LISTING RULES**

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

**The Completion is conditional upon the satisfaction or, if applicable, waiver of the respective conditions precedent set out in the Sales and Purchase Agreement. Accordingly, the Acquisition 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 2 October 2024 (after trading hours), the Purchaser (an indirectly wholly-owned subsidiary of the Company) entered into the Sales and Purchase Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire equity interest in the Target Company at a consideration of RMB15,000,000. Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

## **THE SALES AND PURCHASE AGREEMENT**

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

Date: 2 October 2024 (after trading hours)

Parties: (1) the Purchaser (as purchaser); and  
(2) the Vendor (as vendor).

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

### **Subject matter**

The Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire equity interest in the Target Company at a consideration of RMB15,000,000.

### **Considerations and payment terms**

The Purchaser shall pay 50% of the consideration (i.e. RMB7,500,000) to the Vendor within 90 days after the date of the Completion, and pay the remaining consideration to the Vendor within 180 days after the date of the Completion.

The consideration for the acquisition was determined after arm's length negotiations between the Purchaser and the Vendor after considering the appraised fair value of the net assets of the Target Company on 31 August 2024 (the assessment benchmark date) at approximately RMB15.2 million.

The independent valuer, Masterpiece Valuation Advisory Limited, has adopted an asset-based approach to ascertain the fair value of the Target Company's identifiable assets and liabilities, as reflected in the entity's unaudited balance sheet as at 31 August 2024.

In determining the valuation approaches, the independent 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 Company is an asset holding company. Comparable market multiples cannot be applied under the market approach for the same reason.

The asset based approach values an enterprise based on the fair value of its identifiable assets and liabilities. The independent valuer considered that as the Target Company primarily holds bank balances, prepayments and property, plant and equipment, the asset-based approach is the most appropriate methodology to determine the fair value of the Target Company among the three approaches.

The details of the carrying value of the Target Company and the fair value of the Target Company as appraised by the independent valuer are as follows:

<b>Assets/Liabilities</b>	<b>Carrying Value as at 31 August 2024 (RMB)</b>	<b>Fair Value as at 31 August 2024 (RMB)</b>
<b>Assets</b>		
Prepayments ( <i>Note 2</i> )	111,636,272	98,199,168
Property, plant and equipment ( <i>Note 1</i> )	76,855,652	78,750,595
Bank balances, cash and receivables ( <i>Note 3</i> )	<u>1,662,876</u>	<u>1,662,876</u>
<b>Total Assets</b>	<u>190,154,800</u>	<u>178,612,639</u>
<b>Liabilities (<i>Note 4</i>)</b>		
Tax payables	(78,037)	(78,037)
Other payables	1,146	1,146
Long term loan	<u>(163,350,645)</u>	<u>(163,350,645)</u>
<b>Total Liabilities</b>	<u>(163,427,536)</u>	<u>(163,427,536)</u>
<b>Net Assets/(Liabilities)</b>	<u><b>26,727,264</b></u>	<u><b>15,185,103</b></u>
<b>100% Equity Value</b>	<u><b>26,727,264</b></u>	<u><b>15,185,103</b></u>

*Notes:*

- Property, plant and equipment comprised properties (with a carrying value of RMB75,285,057) and vehicles (with a carrying value of RMB1,570,595).

For vehicles which do not have material resale value, as confirmed with the Company and analysed by the independent valuer, the independent valuer assumed that the net book values of the vehicles should reasonably represent their fair values. The properties have been valued by market approach at a fair value.

- The fair value of the properties was approximately RMB77.18 million.
  - The fair value of the vehicles was approximately RMB1.57 million.
2. Prepayments comprised prepayment for property (with a carrying value of RMB111,607,104) and other prepayments (with a carrying value of RMB29,168). Property numbered 6 (as further described below) is booked under prepayments because it is a first-hand property and the property developer is still applying for the title certificate from the government authorities as at 31 August 2024. The value of the prepayment for property has been determined based on the fair value of property numbered 6 valued by market approach at approximately RMB98.17 million.
  3. For bank balances, cash and receivables, as confirmed with the Company and analysed by the independent valuer, the independent valuer assumed that the net book values of the bank balances, cash and receivables should reasonably represent their fair values.
  4. All items of liabilities are cited from the financial statement as of 31 August 2024. As confirmed with the Company, all liabilities stated in the financial statement have fully reflected the indebtedness of the Target Company. Therefore, the entire amount of liabilities has been adopted in the valuation.

The aggregate appraised value of the entire equity interest of the Target Company as at 31 August 2024 (the assessment benchmark date) is RMB15.2 million.

#### *Summary of the properties held by the Target Company*

<b>No.</b>	<b>Address</b>	<b>Gross Floor Area (sq.m.)</b>	<b>Fair Value (RMB)</b>
1	Unit 22A, Block B, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	202.36	14,540,000.00
2	Unit 36H, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	250.29	17,980,000.00
3	Unit 36F, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	249.40	17,920,000.00
4	Room 5701, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	182.57	11,350,000.00
5	Room 5702, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	247.52	15,390,000.00
6	Room 101, Block 9, No. 520 Linqi Lane, Gaoxin District, Zhuhai City, Guangdong Province, the PRC (included in prepayments)	1,674.97	98,170,000.00

The table below sets out the key inputs used by the independent valuer for the valuation:

<b>No.</b>	<b>Address</b>	<b>Key Inputs</b>
1	Unit 22A, Block B, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Market unit rates: RMB64,000–88,000/sq.m.
2	Unit 36H, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Market unit rates: RMB64,000–88,000/sq.m.
3	Unit 36F, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Market unit rates: RMB64,000–88,000/sq.m.
4	Room 5701, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	Market unit rates: RMB60,000–69,000/sq.m.
5	Room 5702, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	Market unit rates: RMB60,000–69,000/sq.m.
6	Room 101, Block 9, No. 520 Linqi Lane, Gaoxin District, Zhuhai City, Guangdong Province, the PRC (included in prepayments)	Market unit rates: RMB61,000–72,000/sq.m.

### ***Valuation approach***

In valuing the property interests for the above properties, market approach was adopted as there are several recent market sales evidences of similar properties located in the neighborhood area. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

The Board is of the view that the valuation, which was based on fair value and the basis set out above, is fair and reasonable as it represents an objective measure of the value of the Target Company.

## **Conditions precedent**

Pursuant to the Sales and Purchase Agreement, the Completion is conditional upon the following conditions being fulfilled (or waived by the Purchaser, if any):

- (1) each of the representations, warranties, and undertakings of the Vendor in the Sales and Purchase Agreement shall be true, accurate, and not misleading in all material respects from the date of the Sales and Purchase Agreement to the date of the Completion;
- (2) the Purchaser has completed legal due diligence on the Target Company and is satisfied with the results;
- (3) from the date of the Sales and Purchase Agreement to the date of the Completion, there has been no material adverse change in the business or financial condition of the Target Company 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 the Target Company, including but not limited to approval for funds inflow, approval from commercial authority or foreign exchange authority, board resolution of the Company (the ultimate parent company of the Purchaser), and approval from the Stock Exchange or other relevant regulatory authorities (if applicable).

The Purchaser may waive the conditions (1) to (3) above by written notice to the Vendor. The condition (4) above shall not be waivable. In the event that any of the above conditions precedent have not been fulfilled or waived within 90 days from the date of the Sales and Purchase Agreement, the Purchaser shall not be obliged to complete the transactions under the Sales and Purchase Agreement and shall be entitled to terminate the Sales and Purchase Agreement by written notice to the Vendor.

## **Completion**

According to the Sales and Purchase Agreement, within 30 Business Days after all conditions precedent have been fulfilled, the Vendor shall procure the Target Company to arrange the registration and/or filing procedure in relation to the transfer of the entire equity interest in the Target Company with the relevant business registration authority.

The Completion is deemed to take place on the date of the above registration and/or filing and the entire equity interest in the Target Company is registered under the name of the Purchaser.

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

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability on 6 December 2019. It is principally engaged in real estate, property leasing and property management business in the PRC. The Target Company is the legal and beneficial owner of six properties situated in Shenzhen and Zhuhai in Guangdong Province, the PRC. As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Target Company and its ultimate beneficial owner are Independent Third Parties.

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

	<b>For the year ended 31 December 2023 (unaudited) RMB'000</b>	<b>For the year ended 31 December 2022 (unaudited) RMB'000</b>
Net loss before and after taxation	3,721	1,902

The unaudited net asset value of the Target Company as at 31 August 2024 was approximately RMB26.7 million.

## INFORMATION ON THE OTHER PARTIES

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

The Vendor is a Chinese businessman who has been in the property services and management industry for over 10 years and the sole shareholder of the Target Company as at the date of this announcement.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

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

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 Company owns and manages various properties in Guangdong Province in the PRC. The Directors considered that the Acquisition represents an investment opportunity to expand the Group's service offerings to property management and increase the Group's property investment portfolio in the aforementioned region in the PRC. In September 2024, China has adopted policies including reductions in down-payment ratios and mortgage rates to support China's property market. In addition, Guangzhou Municipal People's Government announced in September 2024 the lifting of all restrictions on home purchases, while other first-tier cities including Shenzhen are expected to ease restrictions on housing purchases and lower the minimum downpayment ratio for first homebuyers. Based on the above, the Group may reap the benefits from the long term potential appreciation of the properties held by the Target Company.

In view of the above, the Directors are of the view that the Sales and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better, and are fair and reasonable 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 Acquisition, on an aggregate basis, are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The Completion is conditional upon the satisfaction or, if applicable, waiver of the respective conditions precedent set out in the Sales and Purchase Agreement. Accordingly, the Acquisition 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:

“Acquisition”	the acquisition of the entire equity interest in the Target Company under the 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)
“Completion”	completion of the Sales and Purchase Agreement
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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
“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 Xingguanghui Property Management Co., Ltd.* (深圳星光輝物業管理有限公司), an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Purchase Agreement”	the sales and purchase agreement entered into between the Purchaser and the Vendor on 2 October 2024 in respect of the acquisition of the entire equity interest in the Target Company
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Shenzhen Meilianhang Property Management Co., Ltd.* (深圳美鏈行物業管理有限公司), which is wholly-owned by the Vendor as at the date of this announcement
“Vendor”	Cao Yi (曹藝)
“%”	per cent

By Order of the Board  
**Future World Holdings Limited**  
**Wang Qian**  
*Chairlady*

Hong Kong, 2 October 2024

*As at the date of this announcement, the Board comprises (i) five executive Directors, namely Ms. Wang Qian, Mr. Liang Jian, 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*