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**FUTURE WORLD FINANCIAL HOLDINGS LIMITED**

**未來世界金融控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE ANNUAL REPORT FOR THE YEAR ENDED  
31 DECEMBER 2016**

Reference is made to the annual report for the Company for the financial year ended 31 December 2016 (the “**Annual Report**”). Capitalised terms used herein shall bear the same meanings as defined in the Annual Report unless the context requires otherwise.

The Company would like to provide additional information in respect of the held-for-trading investments of the Group (the “**HFT Investments**”) under its securities trading business. The Group’s HFT Investments comprised of equity securities listed on the Stock Exchange which comprised of four listed companies in sectors of (1) securities and brokerage; (2) information technology; and (3) financial industry. As at 31 December 2016, the details of the investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at	Closing value as at	Market value of the interests as at	Fair value loss for the year ended	Dividend income for the year ended	Realised gain for the year ended
		31 December 2016	31 December 2016	31 December 2016	31 December 2016	31 December 2016	31 December 2016
			<i>HK\$</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
CMBC Capital Holdings Limited (formerly known as Skyway Securities Group Limited) (“ <b>CMBC</b> ”) (Stock code: 1141)	1,300,000,000	8.128%	0.205	266,500	32,500	–	–
Tencent Holdings Limited (Stock code: 700)	100,000	0.001%	189.700	18,970	–	47	1
Hong Kong Exchanges and Clearing Limited (Stock code: 388)	100,000	0.008%	183.200	18,320	–	508	–
China Soft Power Technology Holdings Limited (“ <b>China Soft Power</b> ”) (Stock code: 139)	39,424,000	0.440%	0.164	6,466	13,844	–	–

As disclosed in the Annual Report, the Group recorded a net unrealized losses of investment at fair value of approximately HK\$43,140,000 for the year ended 31 December 2016 for its holding of a portfolio of various listed companies. Out of those unrealised losses, approximately 69% and 29% of the unrealised losses was attributable to the Group’s investment in securities of CMBC and China Soft Power respectively.

The Company believes that the decrease in share prices of CMBC and China Soft Power during the year ended 31 December 2016 as a result of the uncertainty and market fluctuations of Hong Kong stock market during that period was the main cause for the unrealised losses.

## PERFORMANCE AND PROSPECTS OF THE INVESTEES

### CMBC

CMBC is a company incorporated in Bermuda with limited liability which together with its subsidiaries (the “**CMBC Group**”) are principally engaged in the business of brokerage and related services, securities investment and provision of finance. With completion of the mandatory general offer of the CMBC shares made by CMBC International Investment Limited (“**CMBCI**”), a wholly owned subsidiary of China Minsheng Banking Corporation Limited (“**China Minsheng**”) in 2017, the Company is optimistic on the prospect of the securities industry in Hong Kong and also the future business prospect of CMBC.

Pursuant to the annual report of CMBC for the year ended 31 March 2017, for the year ended 31 March 2017, the CMBC Group recorded a loss attributable to owners of CMBC of approximately HK\$1,042.1 million and basic losses per CMBC share of HK6.73 cents. The results were mainly contributed by the substantial impairment loss in respect of goodwill and intangible assets and loss on disposal of available-for-sale investments recorded by the CMBC Group. For the year ended 31 March 2017, the CMBC Group reported revenue of approximately HK\$87.5 million, increased by 53.2% over last year, and gross profit of approximately HK\$63.4 million, increased by approximately 34.1% compared to the previous year. The increase in the CMBC Group’s revenue and gross profit was mainly due to the full year contribution from brokerage and other related services.

Pursuant to the annual report of CMBC for the year ended 31 March 2017, upon the completion of the mandatory general offer of the CMBC shares, CMBCI is interested in more than 60% of the enlarged issued shares capital of CMBC and has become the controlling shareholder of the Company. Pursuant to CMBC annual report, the transactions will introduce CMBCI as new controlling Shareholder, whose ultimate controlling Shareholder of China Minsheng may lead CMBC to enjoy more potential strategic benefits especially for the potential of increasing in business exposures and business confidence of CMBC to its shareholders.

## **China Soft Power**

As disclosed in the Annual Report, China Soft Power and its subsidiaries (the “**China Soft Power Group**”) principally engaged in investment holdings, trading and distribution of electronic and accessory products and other merchandise, financial investments and trading, money lending business. The Company holds positive view toward the future prospect of China Soft Power.

Pursuant to the annual report of China Soft Power for the year ended 31 March 2017, the China Soft Power Group for the year ended 31 March 2017 recorded negative revenue of approximately HK\$52.1 million. It was mainly attributable to the realized losses on the disposal of listed equity investments of approximately HK\$59.4 million in the financial investments and services segment. The net loss for the year ended 31 March 2017 of China Soft Power was approximately HK\$156.4 million. Basic loss per China Soft Power share attributable to ordinary equity holders of the parent for the year ended 31 March 2017 was approximately HK\$0.02. The China Soft Power Group’s net loss for that year was mainly attributable to the realized losses on the disposal of listed equity investments and available-for-sale equity investments of approximately HK\$107.6 million in the financial investments and services segment and the net equity-settled share option arrangement expenses of approximately HK\$60.6 million in corporate and others segment.

Pursuant to the annual report of China Soft Power for the year ended 31 March 2017, since the property market may enter into consolidation phase with downward price pressure, the China Soft Power Group has been monitoring the property market in Hong Kong and Mainland China to seize investment opportunities. With a view of capitalizing on the business opportunities created by the Shanghai-HK Stock Connect and Shenzhen-HK Stock Connect and imminent launch of the HK-China Bond Connect later this year, the China Soft Power Group has recently acquired 34% equity interest in a target company carrying on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”). This acquisition is a vital step in which the China Soft Power Group intends to diversify into securities brokerage industries.

However, the uncertain US monetary policies and the rising expectation of US interest hike, devaluation of RMB and the slowdown of Mainland China economy remain key factors dragging on the global economic recovery. As broad macroeconomic challenge persists, the Group will closely monitor its investment portfolio.

### **Hong Kong Exchanges and Clearing Limited (“HKEx”)**

HKEx together with its subsidiaries (the “**HKEx Group**”) own and operate the only stock and futures markets in Hong Kong and clearing houses.

Pursuant to HKEx’s annual report for the year ended 31 December 2016, the HKEx Group’s total revenue and other income amounted to HK\$11.1 billion and the profit attributable to its shareholders was HK\$5,769 million for the year ended 31 December 2016.

Pursuant to HKEx’s annual report for the year ended 31 December 2016, looking ahead into the rest of 2017, the operating environment for financial markets is expected to remain challenging. Despite some encouraging signs of better growth prospects in the US and Europe, many political and economic uncertainties remain. Capital markets in 2017 are likely to be volatile. The Group believes that HKEx will continue to enhance its competitiveness to position the HKEx Group for future growth and success, and to realise its vision to transform Hong Kong into a global wealth management centre connecting China and the world. The Company believes that the future prospect of Hong Kong Exchanges and Clearing Limited is warranted.

### **Tencent Holdings Limited (“Tencent”)**

Tencent and its subsidiaries (the “**Tencent Group**”) engage in provision of value-added services and online advertising services to users in the PRC. As one of the leaders in the market, the Company holds positive view toward Tencent.

Pursuant to the annual report of Tencent for the year ended 31 December 2016, the Tencent Group’s audited profit attributable to equity holders of Tencent for the year ended 31 December 2016 was RMB41,095 million. Basic and diluted earnings per Tencent share for the year ended 31 December 2016 were RMB4.383 and RMB4.329 respectively.

Pursuant to the annual report of Tencent for the year ended 31 December 2016, during 2017, Tencent intends to further its “Connection” strategy by expanding its ecosystem around its core social and communication platforms via initiatives including but not limited to adding more services within their social platforms to bring more convenience to its end users.

As at 31 December 2016, save and except for the investment in CMBC, there was no investment held by the Group which the then market value was more than 5% of the net assets of the Group.

By order of the Board  
**Future World Financial Holdings Limited**  
**Siu Yun Fat**  
*Chairman*

Hong Kong, 25 August 2017

*As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Siu Yun Fat, Mr. Cai Linzhan, Mr. Chen Xiaodong, Ms. Cheng So Sheung, Mr. Lau Fai Lawrence and Mr. Yu Qingrui; and (ii) three independent non-executive Directors, namely Mr. Hon Hak Ka, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.*