

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Future World Financial Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



### 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)

### REFRESHMENT OF CURRENT GENERAL MANDATE TO ISSUE SHARES, GRANT OF SHARE OPTIONS, RE-ELECTION OF DIRECTORS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders

VEDA | CAPITAL  
智略資本

---

A letter from an independent committee of the board of the Company (the “Independent Board Committee”) is set out on page 19 of this circular. A letter from Veda Capital Limited, the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company is set out on pages 20 to 39 of this circular.

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 11:00 a.m. on Tuesday, 31 October 2017 at Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong is set out on pages 43 to 49 of this circular. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the offices of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	19
<b>Letter from the Independent Financial Adviser</b> .....	20
<b>Appendix – Details of the Directors proposed for re-election</b> .....	40
<b>Notice of EGM</b> .....	43

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company held on 31 May 2017
“Articles”	the articles of association of the Company
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Future World Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Current General Mandate”	the general mandate approved at the AGM authorising the Directors to allot and issue Shares of up to 20% of the number of issued Shares of the Company as at the date of passing the relevant ordinary resolution at the AGM
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on 31 October 2017 to consider and, if thought fit, to approve the proposed refreshment of the Current General Mandate, the grant of the Share Options to the Relevant Grantees, the re-election of Directors and the matters contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

---

## DEFINITIONS

---

“Independent Board Committee”	an independent committee of the Board, comprising the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the refreshment of the Current General Mandate, the voting at the EGM for the refreshment of the Current General Mandate and whether the refreshment of the Current General Mandate are in the interests of the Company and the Shareholders as a whole
“Independent Financial Adviser” or “Veda Capital”	Veda Capital Limited, a licensed corporation under the SFO to conduct Type 6 regulated activity appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Current General Mandate
“Independent Shareholder(s)”	(a) in respect of the refreshment of the Current General Mandate, the Shareholder(s) other than the Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates; and (b) in respect of the grant of Share Options to the Relevant Grantees, the Shareholder(s) other than the Relevant Grantees and all their respective associates
“Investment Manager”	the investment manager of the Company and an employee of the Company
“Latest Practicable Date”	9 October 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

---

## DEFINITIONS

---

“Mr. Cai”	Mr. Cai Linzhan, an executive Director
“Mr. Siu”	Mr. Siu Yun Fat, an executive Director and the Chairman of the Board
“Mr. Yu”	Mr. Yu Qingrui, an executive Director
“PRC”	the People’s Republic of China
“Relevant Grantees”	together Mr. Siu, Mr. Cai, Mr. Yu and the Investment Manager
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Options”	the share options granted to the Relevant Grantees as announced on 28 July 2017 and 10 August 2017 respectively
“Share Option Scheme”	the share option scheme of the Company adopted on 22 February 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

---

## LETTER FROM THE BOARD

---



### 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)**

*Executive Directors:*

Mr. Siu Yun Fat  
Mr. Chen Xiaodong  
Mr. Cai Linzhan  
Ms. Cheng So Sheung  
Mr. Lau Fai Lawrence  
Mr. Yu Qingrui

*Independent non-executive Directors:*

Mr. Hon Hak Ka  
Mr. Siu Siu Ling, Robert  
Mr. Tam Tak Wah

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 912, 9th Floor  
New East Ocean Centre  
9 Science Museum Road  
Kowloon  
Hong Kong

13 October 2017

*To the Shareholders*

Dear Sir or Madam,

**REFRESHMENT OF CURRENT GENERAL MANDATE  
TO ISSUE SHARES,  
GRANT OF SHARE OPTIONS,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### INTRODUCTION

Reference is made to the announcements of the Company dated 28 July 2017 and 10 August 2017 respectively in relation to the grant of the Share Options to the Relevant Grantees. Pursuant to Rule 17.03(4) of the Listing Rules, as the total number of Shares issued and to be issued upon exercise of the Share Options to be granted to each of the Relevant Grantees in 12-month period exceeds 1% of the Shares in issue, such grant must be approved by the Independent Shareholders of the Company at the EGM with the Relevant Grantees and their respective associates abstaining from voting.

---

## LETTER FROM THE BOARD

---

The Board proposes the refreshment of the Current General Mandate subject to the Independent Shareholders' approval. An ordinary resolution will be proposed at the EGM to the Independent Shareholders to consider and, if thought fit, approve the refreshment of the Current General Mandate.

The purpose of this circular is to provide you with the information relating to (i) the refreshment of the Current General Mandate to be proposed at the EGM; (ii) the grant of Share Options to the Relevant Grantees; (iii) the re-election of Directors; (iv) the recommendation from the Independent Board Committee to the Independent Shareholders on the refreshment of the Current General Mandate; (v) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the proposed refreshment of the Current General Mandate; and (vi) the notice of EGM.

### GRANT OF SHARE OPTIONS TO THE RELEVANT GRANTEEES

As disclosed in the announcements of the Company dated 28 July 2017 and 10 August 2017 respectively, the Board resolved to grant, among others, (i) 64,000,000 Share Options to Mr. Siu; (ii) 64,000,000 Share Options to Mr. Cai; (iii) 64,000,000 Share Options to Mr. Yu; and (iv) 64,000,000 Share Options to the Investment Manager under the Share Option Scheme, subject to the approvals of the Independent Shareholders at the EGM. Principal Terms of the Share Options are set out in below:

Date of grant	:	28 July 2017 (the “ <b>Date of Grant</b> ”)
Exercise price of Share Options granted	:	HK\$0.127 per Share (representing the highest of (i) HK\$0.108, being the average of the closing price of the Shares as stated in the daily quotations sheet by the Stock Exchange for the five business days immediately preceding the Date of Grant; (ii) HK\$0.127, being the closing price of the Shares as stated in the daily quotations sheet by the Stock Exchange on the Date of Grant; and (iii) HK\$0.001, being the nominal value of the Share)

(subject to adjustments under the terms of the Share Option Scheme in accordance with Rule 17.03(13) of the Listing Rules)

---

## LETTER FROM THE BOARD

---

The exercise price represents a discount of approximately 33.85% to the closing price of HK\$0.192 per Share as quoted in the Stock Exchange's daily quotation sheet on the Latest Practicable Date.

Validity period of Share Options : 28 July 2017 to 27 July 2019 (both dates inclusive)

There is no specific performance target to be fulfilled before the Share Options can be exercised.

Vesting period of the Share Options : In respect of the Share Options granted to the Relevant Grantees, the Share Options can be exercisable upon obtaining the Independent Shareholders' approval at the EGM.

Mr. Siu is the Chairman of the Board and an executive Director. As at the Latest Practicable Date, Mr. Siu is interested in 68,800,000 Shares (other than the 64,000,000 Share Options granted to Mr. Siu as disclosed in this circular subject to the Independent Shareholders' approval).

Mr. Siu has been appointed as an executive Director for years and he is responsible for ensuring effective running of the Board, leading the Board in establishing good corporate governance practices and ensuring effective communication with Shareholders. He is also involving in the decision-making of the overall strategic development of the Group including but not limited to the development of the e-commerce platform business of the Group.

Mr. Yu is an executive Director. As at the Latest Practicable Date, Mr. Yu is interested in 90,404,425 Shares (other than the 64,000,000 Share Options granted to Mr. Yu as disclosed in this circular subject to the Independent Shareholders' approval).

Mr. Yu has been appointed as an executive Director for years and he is responsible for the overall strategic development of the Group including but not limited to seeking appropriate business opportunities for the Group. Mr. Yu as an executive Director has sought appropriate business opportunities for the Group including but not limited to the e-commerce platform business of the Group.



---

## LETTER FROM THE BOARD

---

Mr. Cai is an executive Director and was the Chief Executive Officer of the Company for the period from 24 June 2017 to 5 October 2017. As at the Latest Practicable Date, Mr. Cai is interested in 32,289,144 Shares (other than the 64,000,000 Share Options granted to Mr. Cai as disclosed in this circular subject to the Independent Shareholders' approval).

Although Mr. Cai has only been appointed as an executive Director in June 2017, he has been the Chief Strategy Officer (Film Production) of China Wisdom Group Limited ("**China Wisdom**"), a wholly-owned subsidiary of the Company since August 2016. Mr. Cai is responsible for the Group's investment in film projects. During his employment, Mr. Cai has utilised his experience and expertise to provide advices on the Group's investment in film projects, including but not limited to a film project tentatively known as "Girls 2" (《閩蜜2》). Though revenue has not yet been generated from the Group's investment in the film project, as the PRC film industry has experienced strong and consistent growth in recent years and in light of the remarkable box office of "Girls" (《閩蜜》), the Group has confidence in the film project and the prospect of the PRC film industry.

The Investment Manager is also one of the Relevant Grantees. As at the Latest Practicable Date, the Investment Manager is interested in 30,000,000 Shares (other than the 64,000,000 Share Options granted to the Investment Manager as disclosed in this circular subject to the Independent Shareholders' approval).

The Investment Manager is responsible for securities trading and investment segment of the Group. The profits of the Group for the six months ended 30 June 2017 were mainly contributed by the securities trading and investment segment.

---

## LETTER FROM THE BOARD

---

Set out below is the total number of Share Options granted to the Relevant Grantees in the 12 months period up to and including the Date of Grant of the Share Options subject to the Independent Shareholders' approval:

Relevant Grantees	Date of Grant	Exercise Price per Share	Number of Share Options
Mr. Siu	31 August 2016	HK\$0.21	36,000,000
	28 July 2017	HK\$0.127	64,000,000
Mr. Cai	31 August 2016	HK\$0.21	31,000,000
	28 July 2017	HK\$0.127	64,000,000
Mr. Yu	31 August 2016	HK\$0.21	36,000,000
	28 July 2017	HK\$0.127	64,000,000
The Investment Manager	31 August 2016	HK\$0.21	30,000,000
	28 July 2017	HK\$0.127	<u>64,000,000</u>
Total:			<u><u>389,000,000</u></u>

As at the Latest Practicable Date, 133,000,000 of the aforesaid share options granted on 31 August 2016 have been exercised. Subject to the approval of the Independent Shareholders at the EGM, up to an aggregate of 256,000,000 Shares may be allotted and issued to the Relevant Grantees upon the exercise of the Share Options, which represents approximately 3.14% of the issued share capital of the Company as at the Latest Practicable Date.

The proposed grant of the Share Options to each of the Relevant Grantees would result in the securities issued and to be issued upon exercise of all share options already granted and to be granted to each of them in the 12-month period representing in aggregate over 1% of the relevant class of securities in issue.

The consideration payable on acceptance of the Share Options is HK\$1.00 for each Relevant Grantee, which has been paid by each Relevant Grantee respectively in accordance with the terms of the Share Option Scheme. None of the Directors are the trustee of the Share Option Scheme and the Share Option Scheme does not have trustee.

---

## LETTER FROM THE BOARD

---

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon full exercise of the Share Options granted to the Relevant Grantees (there is no other change in the shareholding structure of the Company before the full exercise of the Share Options granted to the Relevant Grantees) are set out below:

Shareholders	As at the Latest Practicable Date		Immediately upon full exercise of the Share Options held by the Relevant Grantees	
	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
China Soft Power Technology Holdings Limited and its subsidiaries	691,830,188	8.48%	691,830,188	8.22%
The Relevant Grantees	221,493,569	2.72%	477,493,569	5.68%
Other Directors ( <i>Note</i> )	4,608,653	0.05%	4,608,653	0.05%
Other Shareholders	<u>7,239,255,588</u>	<u>88.75%</u>	<u>7,239,255,588</u>	<u>86.05%</u>
Total:	<u><u>8,157,187,998</u></u>	<u><u>100.00%</u></u>	<u><u>8,413,187,998</u></u>	<u><u>100.00%</u></u>

*Note:*

The 4,608,653 Shares are owned as to 1,005,313 Shares by Mr. Chen Xiaodong, 3,336,000 Shares by Mr. Hon Hak Ka and 267,340 Shares by Mr. Tam Tak Wah respectively.

---

## LETTER FROM THE BOARD

---

### Reasons for the grant of the Share Options to the Relevant Grantees

The proposed grant of the Share Options to the Relevant Grantees is in recognition of their contributions to the growth and development of the Group in the past and as an incentive for their continuing commitments and contributions to the Company in the future.

Under the efforts of the management of the Company, including the Relevant Grantees, the Company recorded a net profit of HK\$97,451,000 for the year ended 31 December 2016 and an unaudited net profit of HK\$307,805,000 for the six months ended 30 June 2017. Such turnaround in performance of the Group is attributable to the effort of the Relevant Grantees. The proposed grant of the Share Options to the Relevant Grantees is in recognition of their past contributions to the growth and development of the Group. While the relevant license agreement relating to the e-commerce platform business has been terminated and the Group will continue to explore new potential projects and business opportunities, the Board considers that it is necessary to recognise the past contributions of the Relevant Grantees to the Group and that is the reason why there is no vesting period or performance target for the Share Options granted.

The Board had considered the potential dilution impact of the Share Options granted to the Relevant Grantees and given that the Share Options granted to the Relevant Grantees represents less than 5% of the total issued share capital of the Company, the Board considers that the potential dilution impact of the Share Options granted to the Relevant Grantees will be acceptable.

As disclosed in the Company's interim report for the six months ended 30 June 2017, the Group will continue to focus on the development of securities trading and investments, provision of financing services and investment property in Hong Kong. The Board believes that such core businesses of the Group are able to produce steady income stream given the existing market conditions and the resources available. Barring unforeseen circumstances, the Board will continue implementing cost control measures across all its businesses and managing risks exposures to the Group. Furthermore, the Group will prudently explore new potential projects and new business opportunities in order to provide new and sustainable drivers for the Group's overall performance.

While the Company cannot control market fluctuations in its Share price, it believes that the performance of the Group will ultimately reflect in its future Share price. In the event that the Group keeps continuous growth, the Company believes that its future Share price will reflect the underlying value of the Group. As such, those Share Options granted to the Relevant Grantees will become an incentive for them to continue to contribute to the Group in future.

---

## LETTER FROM THE BOARD

---

The scheme mandate limit of the Share Option Scheme was refreshed at the AGM, pursuant to which 648,518,799 Share Options may be granted. With the grant of 640,000,000 Share Option Scheme as announced on 28 July 2017, the scheme mandate limit has been utilised as to approximately 98.69%. The 640,000,000 Share Options granted remain outstanding and unexercised. Up to 8,518,799 Share Options can be further granted under the existing scheme mandate limit.

### IMPLICATION UNDER THE LISTING RULES

Pursuant to Rule 17.03(4) of the Listing Rules, as the total number of Shares issued and to be issued upon exercise of the Share Options to be granted to each of the Relevant Grantees in 12-month period exceeds 1% of the Shares in issue, such grant must be approved by the Independent Shareholders of the Company at the EGM with the Relevant Grantees and their respective associates abstaining from voting.

In this regard, the Relevant Grantees and their respective associates holding 221,493,569 Shares in total, or approximately 2.72% of the total issued Shares as at the Latest Practicable Date, will abstain from voting at the EGM to be convened to approve the grant of the Share Options to the Relevant Grantees.

### CURRENT GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue up to a maximum of 1,297,037,599 Shares, representing 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution.

Reference is made to the announcements of the Company dated 26 July 2017, 27 July 2017 and 31 August 2017 respectively in relation to (i) the placing of 400,000,000 Shares at the placing price of HK\$0.09 per Share (the “**July Placing**”); (ii) the share swap (the “**Share Swap**”) involving issue and allotment of 470,000,000 Shares; and (iii) the placing of 427,000,000 Shares at the placing price of HK\$0.14 per Share (the “**August Placing**”, together with the July Placing as the “**Placings**”). The July Placing and the Share Swap have been completed on 7 August 2017 and the August Placing has been completed on 18 September 2017. The Current General Mandate has been utilised as to approximately 67.08% by way of the July Placing and the Share Swap and as to approximately 100% upon completion of the August Placing.

---

## LETTER FROM THE BOARD

---

As disclosed in the announcement of the Company dated 7 August 2017, the net proceeds from the July Placing in aggregate of HK\$34.6 million (which was originally intended for the development of the money lending business of the Group as announced in the announcement of the Company dated 26 July 2017) would be utilised for securities trading and investment of the Group and have been so fully utilised as at the Latest Practicable Date. As disclosed in the announcement of the Company dated 18 September 2017, the net proceeds from the August Placing in aggregate of HK\$57.6 million (which was originally intended for securities trading and investment) would be utilised for money lending business development of the Group and approximately HK\$50 million have been utilised as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has not made any refreshment of the Current General Mandate since the AGM.

### **PROPOSED REFRESHMENT OF THE CURRENT GENERAL MANDATE**

The Company will convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue Shares not exceeding 20% of the number of issued Shares of the Company as at the date of passing the relevant ordinary resolution at the EGM.

As at the Latest Practicable Date, the Company had an aggregate of 8,157,187,998 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Current General Mandate and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company will be allowed to allot and issue up to 1,631,437,599 Shares, being 20% of the number of issued Shares of the Company as at the Latest Practicable Date.

It is noted that the Current General Mandate have been almost fully utilised upon completion of the August Placing. In light of the next annual general meeting of the Company will be held no earlier than May 2018, it implies that the Company may not have sufficient general mandate to promptly meet fund raising opportunities for months.

While the Company is not in urgent need to raise further fund after considering its existing financial position and operating performance, the Company considers that there may be funding needs from the date of the EGM to the date of the next annual general meeting of the Company (which would be held no earlier than May 2018).

---

## **LETTER FROM THE BOARD**

---

The Company has considered various factors including but not limited to the financial position of the Group and the potential funding needs of the Group in relation to the seeking of the Shareholders' approval on the grant of the Current General Mandate at the AGM. Save and except for the Placings and the Share Swap resulting in the utilisation of the Current General Mandate, the Company considers there is no material change in the relevant factors considered at the AGM.

The refreshed Current General Mandate will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by the Articles; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

### **REASONS FOR THE REFRESHMENT OF THE CURRENT GENERAL MANDATE**

The Group is principally engaged in (a) securities trading and investment; (b) provision of financing services; (c) investment property in Hong Kong; (d) e-commerce business; and (e) trading business and related services. The Board also from time to time reviews the existing business and explores other business opportunities with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

As explained in the paragraph headed "Current General Mandate" above, the Current General Mandate has been utilised as to approximately 100% upon completion of the August Placing. The next annual general meeting of the Company is expected to be held in or about May 2018, which is more than 6 months from the date of this circular.

In order to provide additional flexibility to allow the Company to grasp appropriate fund raising opportunities, the Board believes that the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business expansion and development as well as catering for future funding requirement of the Group. Given that there will be more than 6 months from the date of the EGM to the date of the next annual general meeting of the Company, there may be funding needs from the date of the EGM to the date of the next annual general meeting of the Company when the Group explores new potential projects and new business opportunities during that period. As at the Latest Practicable Date, since no new potential projects have been identified yet, there is uncertainty as whether the internal resources of the Group or external debt financing could meet such needs in a timely manner when business opportunity comes.

---

## LETTER FROM THE BOARD

---

The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances taking into consideration of the urgency of funding need and the nature of new potential projects and new business opportunities when such projects or business opportunities becoming materialised, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. The Company will consider the internal resources of the Group, external debt financing and other alternative equity fund raising means such as rights issue or open offer and the corresponding dilution impact before deciding to raise fund by issuing Shares under refreshed Current General Mandate.

The Directors have no concrete plan for raising capital by issuing new Shares as at the Latest Practicable Date, and there is currently no concrete proposal presented by potential investors for investment in the Shares. Nevertheless, the Board is now proposing to seek the approval of the Independent Shareholders at the EGM for the refreshment of the Current General Mandate such that, should attractive terms for investment in the Shares become available from potential investors, the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a more simple and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner. The Directors consider that funding requirements or appropriate investment opportunities may or may not arise at any time prior to the next annual general meeting of the Company. If such opportunities arise prior to the next annual general meeting of the Company, decisions may have to be made within a limited period of time.

In view of the above, the Directors consider that the refreshment of the Current General Mandate is appropriate and is in the interests of the Company and the Shareholders as a whole.

If the Company conducts a share consolidation or subdivision after the refreshment of the Current General Mandate has been approved by the Shareholders at the EGM, the maximum number of shares issued under the refreshed general mandate (the “**General Mandate Threshold**”) will be adjusted so that the General Mandate Threshold as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.



---

## **LETTER FROM THE BOARD**

---

### **RE-ELECTION OF DIRECTORS**

Mr. Chen Xiaodong, Mr. Cai and Mr. Hon Hak Ka who were appointed Directors by the Board pursuant to Article 112 shall hold office until the forthcoming general meeting and shall then be eligible for re-election. All of them will retire from office at the EGM. and being eligible, will offer themselves for re-election at the EGM.

At the EGM, ordinary resolutions will be proposed to re-elect Mr. Chen Xiaodong and Mr. Cai as executive Directors, and Mr. Hon Hak Ka as an independent non-executive Director.

Details of the retiring Directors proposed for re-election at the EGM are set out in Appendix to this circular.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee which comprises Mr. Hon Hak Ka, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah, all being the independent non-executive Directors, has been established to advise the Independent Shareholders on the refreshment of the Current General Mandate.

Veda Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Current General Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of the Independent Financial Adviser, consider that the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM for approving the refreshment of the Current General Mandate.

The text of the letter from the Independent Board Committee is set out on page 19 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 20 to 39 of this circular.

---

## LETTER FROM THE BOARD

---

### GENERAL INFORMATION

Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 20 to 39 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Current General Mandate and the letter from the Independent Board Committee set out on page 19 of this circular which contains its recommendation to the Independent Shareholders in relation to the refreshment of the Current General Mandate.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### EGM

A notice convening the EGM to be held at 11:00 a.m. on 31 October 2017 at Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong is set out on pages 43 to 49 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return enclosed proxy form in accordance with the instructions printed thereon to the offices of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM, or any adjournment thereof if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

---

## LETTER FROM THE BOARD

---

Pursuant to the Listing Rules, the refreshment of the Current General Mandate will be subject to the Independent Shareholders' approval by way of passing an ordinary resolution at the EGM at which any of the controlling Shareholders and their respective associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Current General Mandate.

As at the Latest Practicable Date, there is no controlling Shareholder. Accordingly, the Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Current General Mandate. As at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) hold an aggregate of 192,498,882 Shares, representing approximately 2.36% of the issued share capital of the Company.

The Board has been advised by the Directors (excluding independent non-executive Directors) that they and their respective associates have no intention to vote against the resolution to approve the refreshment of the Current General Mandate.

Pursuant to the Listing Rules, the grant of Share Options to the Relevant Grantees shall be subject to the Independent Shareholders' approval by way of passing resolution(s) at the EGM at which the Relevant Grantees and their respective associates shall abstain from voting on the resolution(s) approving the grant of the Share Options to the Relevant Grantee(s). As at the Latest Practicable Date, the Relevant Grantees and their respective associates hold an aggregate of 221,493,569 Shares, representing approximately 2.72% of the issued share capital of the Company.

The vote of the Independent Shareholders in respect of the refreshment of the Current General Mandate and the grant of Share Options to the Relevant Grantees at the EGM will be taken by way of poll.

Save as disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the proposed resolutions on the refreshment of the Current General Mandate and the grant of Share Options to the Relevant Grantees at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed re-election of Directors at the EGM.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Directors consider the proposed refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the proposed resolution as set out in the notice of EGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Advisers in relation to the refreshment of the Current General Mandate, is of the opinion that the refreshment of the Current General Mandate is in the interests of the Company and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM for approving the refreshment of the Current General Mandate.

Having considered the terms of the proposed grant of the Share Options, all the independent non-executive Directors considered they are fair and reasonable so far as the Shareholders and the Independent Shareholders (as the case maybe) are concerned. Accordingly, the Directors (including the independent non-executive Directors), recommend the Shareholders to vote in favour of the ordinary resolutions approving the grant of Share Options to the Relevant Grantees respectively as set out in the notice of the EGM.

The Directors consider the re-election of the Directors is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the proposed resolutions as set out in the notice of EGM.

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

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---



### 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)**

13 October 2017

*To the Independent Shareholders*

Dear Sir or Madam,

#### **REFRESHMENT OF CURRENT GENERAL MANDATE TO ISSUE SHARES**

We refer to the circular of the Company dated 13 October 2017 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed refreshment of the Current General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Veda Capital has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, Veda Capital as set out in its letter of advice to us on pages 20 to 39 of the Circular, we are of the opinion that the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Current General Mandate.

Yours faithfully,

*For and on behalf of the Independent Board Committee*

**Mr. Hon Hak Ka**  
*Independent non-executive  
Director*

**Mr. Siu Siu Ling, Robert**  
*Independent non-executive  
Director*

**Mr. Tam Tak Wah**  
*Independent non-executive  
Director*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*The following is the text of the letter of advice from Veda Capital in connection with the refreshment of the Current General Mandate which has been prepared for the purpose of inclusion in this circular.*

**VEDA | CAPITAL**  
**智 略 資 本**

**Veda Capital Limited**  
Room 1106, 11/F,  
Wing On Centre,  
111 Connaught Road Central,  
Hong Kong

13 October 2017

*To the Independent Board Committee and the Independent Shareholders of  
Future World Financial Holdings Limited*

Dear Sir/Madam,

### **REFRESHMENT OF CURRENT GENERAL MANDATE TO ISSUE SHARES**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Company in respect of the refreshment of the Current General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 13 October 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of general mandate before the next annual general meeting of the Company shall be subject to the Independent Shareholders’ approval by way of poll at the general meeting of the Company. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and chief executives of the Company and their respective associates shall abstain from voting in favour of the resolutions for approving the refreshment of the Current General Mandate as required under Rule 13.36(4)(a) of the Listing Rules.

As at the Latest Practicable Date, having made all reasonable enquiries, there is no controlling Shareholder. Accordingly, the Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Current General Mandate. As at the Latest Practicable Date, the Directors (excluding the independent non-executive Directors) hold an aggregate of 192,498,882 Shares, representing approximately 2.36% of the issued share capital of the Company.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Independent Board Committee, comprising Mr. Hon Hak Ka, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the refreshment of the Current General Mandate is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, we were not aware of any relationships or interest between Veda Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Veda Capital's independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Current General Mandate. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations on the terms of the refreshment of the Current General Mandate. During the past two years, we did not act as an independent financial adviser of the Company. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statements in the Circular misleading. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the management of the Company.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the refreshment of the Current General Mandate, we have taken the following principal factors and reasons into consideration:

#### Background

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue up to a maximum of 1,297,037,599 Shares, representing 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution.

As disclosed in the announcements of the Company dated 26 July 2017 and 27 July 2017 respectively in relation to (i) the placing of 400,000,000 Shares at the placing price of HK\$0.09 per Share (the “**July Placing**”); and (ii) the share swap (the “**Share Swap**”) involving issue and allotment of 470,000,000 Shares. The July Placing and the Share Swap have been completed on 7 August 2017. As disclosed in the announcement of the Company dated 7 August 2017, the net proceeds from the July Placing in aggregate of HK\$34.6 million (which was originally intended for the development of the money lending business of the Group as announced in the announcement of the Company dated 26 July 2017) would be utilised for securities trading and investment of the Group and have been so fully utilised as at the Latest Practicable Date.

As further noted in the announcement of the Company dated 31 August 2017 in relation to the placing of 427,000,000 Shares at the placing price of HK\$0.14 per Share (the “**August Placing**”, together with the July Placing as the “**Placings**”), the net proceeds from the August Placing was originally intended to be used for securities trading and investment which includes but not limited to equity, fixed income securities or assets and derivatives. Furthermore, as disclosed in the announcement of the Company dated 18 September 2017, the August Placing completed on 18 September 2017 and the net proceeds from the August Placing in aggregate of HK\$57.6 million would be utilised for money lending business development of the Group and as to approximately HK\$50 million have been utilised as at the Latest Practicable Date. The Current General Mandate has been utilised as to approximately 67.08% by way of the July Placing and the Share Swap and as to approximately 100% upon completion of the August Placing.

As at the Latest Practicable Date, the Company had not made any refreshment of the Current General Mandate since the AGM. The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the refreshed Current General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As at the Latest Practicable Date, the Company had an aggregate of 8,157,187,998 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Current General Mandate and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company will be allowed to allot and issue up to 1,631,437,599 Shares, being 20% of the number of issued Shares of the Company as at the Latest Practicable Date.

The refreshed Current General Mandate will expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by law or by the Articles; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

### **Reasons for the refreshment of the Current General Mandate**

The Company is an investment holding company. The Group is principally engaged in (i) securities trading and investment; (ii) provision of financing services; (iii) investment property in Hong Kong; (iv) e-commerce business; and (v) trading business and related services. The Board also from time to time reviews the existing business and explores other business opportunities with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

As noted from the Board Letter, it is noted that the Current General Mandate has been almost fully utilised upon completion of the August Placing. In light of the next annual general meeting of the Company will be held no earlier than May 2018, it implies that the Company may not have sufficient general mandate to promptly meet fund raising opportunities for months.

While the Company is not in urgent need to raise further fund after considering its existing financial position and operating performance, the Company considers that there may be funding needs from the date of the EGM to the date of the next annual general meeting of the Company (which would be held no earlier than May 2018).

The Company has considered various factors including but not limited to the financial position of the Group and the potential funding needs of the Group in relation to the seeking of the Shareholders' approval on the grant of the Current General Mandate at the AGM. Save and except for the Placings and the Share Swap resulting in the utilisation of the Current General Mandate, the Company considers there is no material change in the relevant factors considered at the AGM.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Current General Mandate has been utilised as to approximately 100% upon completion of the August Placing. In order to provide additional flexibility to allow the Company to grasp appropriate fund-raising opportunities, the Board believes that the refreshment of the Current General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business expansion and development as well as catering for future funding requirement of the Group. Given that there will be more than 6 months from the date of the EGM to the date of the next annual general meeting of the Company, there may be funding needs from the date of the EGM to the date of the next annual general meeting of the Company when the Group explores new potential projects and new business opportunities during that period. As at the Latest Practicable Date, since no new potential projects have been identified yet, there is uncertainty as whether the internal resources of the Group or external debt financing could meet such needs in a timely manner when business opportunity comes.

Although the Directors have no concrete plan for raising capital by issuing new Shares as at the Latest Practicable Date and there is currently no concrete proposal presented by potential investors for investment in the Shares, the Company intends to raise fund mainly on the investment in listed securities and property in Hong Kong in the future should attractive terms for investment in the Shares or properties become available from potential investors given that one of the principal businesses of the Group is investment in listed securities and property in Hong Kong so that the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a more simple and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner. The Directors consider that funding requirements or appropriate investment opportunities may or may not arise at any time prior to the next annual general meeting of the Company. If such opportunities arise prior to the next annual general meeting of the Company, decisions may have to be made within a limited period of time.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

In relation to the securities trading business of the Group which the Company intends to allocate the future fund raised into should attractive terms for investment in the securities become available, we have reviewed the securities market performance and the future prospect of Hong Kong. We have reviewed “2017 Q1 Capital Markets Overview and IPO Markets Update” published in April 2017 by Klynveld Peat Marwick Goerdeler, which is a recognisable and reputable independent global audit service provider (source: <https://assets.kpmg.com/>). Inflows into Hong Kong were most pronounced in the first quarter. The Hang Seng Index closed at 24,112 as at 31 March 2017, the highest over the past one and a half years. The average daily turnover in 2017 Q1 also jumped by 28% to HK\$60 billion compared to HK\$47 billion in 2016 Q4. In Hong Kong, an influx of capital from Chinese investors prompted by the attractive valuations of the Hong Kong stock market and Renminbi volatility expectations helped propel the Hang Seng Index and trading turnover to an 18-month high. Hong Kong-listed companies generally trade at a lower price-to-earnings ratio compared to the China-listed stocks which gives the strong performance.

Moreover, as advised by the Directors, the Board considers that the launch of Shanghai-Hong Kong Stock Connect in 2014 and Shenzhen-Hong Kong Stock Connect at the end of 2016 and other measures to be launched by the Stock Exchange under the HKEX Strategic Plan 2016-18 will further boost the Hong Kong securities market as well as the growth opportunities in the financial services industry, given the increasing demand for financial services in Hong Kong with the increasing cooperation between the stock markets in Hong Kong and the PRC such as the launch of the Stock Connect program. Given the potential development of the Shenzhen-Hong Kong Stock Connect, Hong Kong’s securities market would allow opportunities for licensed corporations such as Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, to benefit from this in the expected capital in-flow into the Hong Kong securities market which in turn would drive the demand for securities brokerage, margin financing, share placements and underwriting services.

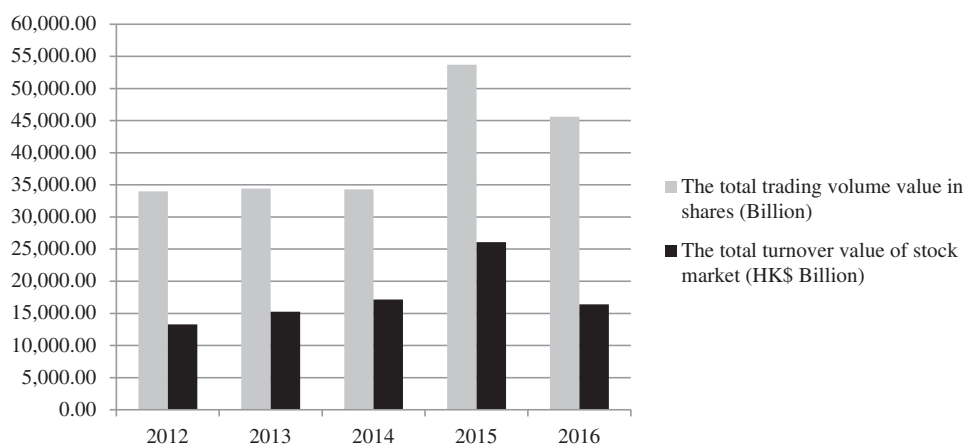
---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Set out below are the total turnover value and total trading volume in shares in the Hong Kong stock market from 2012 to 2016:

**Chart 1: Total turnover value and total trading volume in shares**



Source: "HKEX Fact Book 2016" published by the Stock Exchange

As noted in "HKEX Fact Book 2016" released by the Stock Exchange and illustrated as the Chart 1 above, the total turnover value of the stock market in Hong Kong has increased from approximately HK\$13,301.05 billion in 2012 to approximately HK\$16,396.42 billion in 2016 with a compound annual growth rate of 5.37%. Also, total trading volume in shares has increased from approximately 33,967.55 billion in 2012 to approximately 45,611.90 billion in 2016 with a compound annual growth rate of 7.65%.

With reference to HKEX monthly highlight published on the official website of the Stock Exchange, the monthly turnover of the stock market has increased from approximately HK\$1,087.29 billion in January 2017 to approximately HK\$1,790.98 billion in July 2017 with compound monthly growth rate of 8.67%. The average daily turnover has increased from approximately HK\$57.23 billion in January 2017 to approximately HK\$85.29 billion in July 2017 with a CMGR of 6.88%, an increasing trend is shown in the early 2017.

Apart from Shanghai-Hong Kong Stock Connect launched on 17 November 2014, Shenzhen-Hong Kong Stock Connect was also launched on 5 December 2016. According to "Securities Industry in Hong Kong" released by Hong Kong Trade and Development Council on 18 January 2017 (source: <http://service-industries-research.hktdc.com/business-news>), Hong Kong's stock market was the fourth largest in Asia and the eighth largest in the world in terms of market capitalisation as of September 2016. There were 1,930 companies listed on the Stock Exchange in the same period, with a total market capitalisation of more than US\$3.3 trillion.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Based on the research “2017 Q1 Capital Markets Overview and IPO Markets Update” published in April 2017 by Klynveld Peat Marwick Goerdeler, we are of the view that the securities market in Hong Kong is a volatile market and throws up a lot of opportunities, in particular, the Hang Seng Index closed the quarter at 24,112, the highest over the past one and a half years. The average daily turnover in 2017 Q1 also jumped by 28% to HK\$60 billion compared to HK\$47 billion in 2016 Q4. In Hong Kong, an influx of capital from Chinese investors prompted by the attractive valuations of the Hong Kong stock market and Renminbi volatility expectations helped propel the Hang Seng Index and trading turnover to an 18-month high. In addition, as further noted in “HKEX Fact Book 2016” released by the Stock Exchange and the HKEX monthly highlight published on the official website of the Stock Exchange, the total turnover value of the stock market in Hong Kong and the total trading volume in shares have both increased rapidly which the compound annual growth rates are approximately 5.37% and 7.65% respectively and the average daily turnover has increased from approximately HK\$57.23 billion in January 2017 to approximately HK\$85.29 billion in July 2017 with a CMGR of 6.88%, an increasing trend is shown in the early 2017, we are of the view that the higher trading volume prompts a higher liquidity of the market, thus more market participants are willing to trade in the market, and reduce the liquidity risk that the Company might face by holding a substantial amount of held-for-trading investments, as the held-for-trading investments accounted for approximately 38.93% of the total assets of the Company based on the AR 2016 (as defined below).

As at 30 June 2017, although the Group has the current assets of approximately HK\$845,895,000, the held-for-trading investments of approximately HK\$572,724,000 accounts for the largest part of the current assets while the cash and bank balances has only approximately HK\$18,419,000.

Reference is also made to the supplemental announcement of the Company dated 25 August 2017 (the “**Supplemental Announcement**”) to the annual report of the Company for the year ended 31 December 2016 (the “**AR 2016**”). As disclosed in the AR 2016, the Group recorded a net unrealised 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 due to the market fluctuations in the Hong Kong stock market. However, as advised by the Directors, as at the Latest Practicable Date, the Company holds positive views towards its portfolio of its invested listed companies, in particular, the Company believes that, China Minsheng Banking Corporation Limited (H-Stock code: 1988) (“**China Minsheng**”) will lead CMBC Capital Holdings Limited (Stock code: 1141) (“**CMBC**”) to enjoy more potential strategic benefits especially for the potential of increasing in business exposures and business confidence in the future which will provide satisfactory return to the Company. Upon the completion of the mandatory general offer of the CMBC shares, CMBC International Investment Limited (“**CMBCI**”) is interested in more than 60% of the enlarged issued shares capital of CMBC which has become the controlling shareholder of CMBC and China Minsheng is the ultimate controlling Shareholder of CMBCI, as such China Minsheng indirectly holds 60% of the enlarged issued shares capital of CMBC.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

China Minsheng founded in 1996, is the first bank in China to be owned mostly by non-government enterprises and the market capitalisation was more than approximately RMB300 billion. As noted in the interim report of China Minsheng for the six months ended 30 June 2017, China Minsheng strives to become an iconic bank with core competitiveness and sustainable prospect in the financial market of the PRC. It will develop a new four-wheel-driven business model of capital, intelligence, commerce and Internet, in order to create a brand new China Minsheng featuring digitalisation, professionalisation, integration and globalisation and having enduring appeal in the industry. China Minsheng steadily expanded its overseas business network. With its Hong Kong Branch and CMBC International Holdings Limited (“**CMBC International**”, a direct wholly-owned subsidiary of China Minsheng) as overseas platforms, China Minsheng successfully realised domestic and overseas business synergies, and offered one-stop integrated domestic and overseas financial services for customers. The asset scale and operational efficiency of its Hong Kong Branch continued to improve. As at 30 June 2017, total assets of its Hong Kong Branch amounted to HK\$183,764 million, and net profit was HK\$751 million, representing an increase of 35.32% as compared with the corresponding period of the previous year. Upon the successful acquisition of CMBC, CMBC International has officially become a full-license player as an investment bank. For the six months ended 30 June 2017, CMBC International had total assets of RMB10,731 million, and net profit amounted to RMB77 million, representing an increase of RMB158 million as compared with the corresponding period of the previous year. On this basis, China Minsheng will 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.

On the other hand, as noted in the announcements of the Company dated 7 August 2017 and 1 September 2017 in relation to the completion of the share swap and the acquisition of the shares of China Soft Power Technology Holdings Limited (Stock code: 139) (“**CSPT**”) respectively, as at the Latest Practicable Date, the Company and its subsidiaries holds approximately 11.56% of the total issued share capital of CSPT. The Directors have considered the future prospect of CSPT and have a positive view towards CSPT. Despite the current slowdown and the intense competition in the consumer electronic market, CSPT still managed to improve its sales revenue with approximately HK\$2.5 million for the financial year ended on 31 March 2017 as compared to approximately HK\$0.7 million for the previous financial year. In addition, to capitalise the business opportunities created by the Shanghai-HK Stock Connect, Shenzhen-HK Stock Connect and the imminent launch of the HK-China Bond Connect in late 2017, CSPT has acquired a licensed corporation 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 SFO. This acquisition is a vital step in which CSPT intends to diversify into securities brokerage industries and enhance its shareholder value. Based on the optimistic view of the Hong Kong stock market and the improved performance of CSPT’s core business segment, the Directors have a positive view towards its investment in CSPT.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Given that (i) the majority of the revenue of the Group is contributed by the dividend income from investments and gain on disposal of held-for-trading investments segments, i.e. the investment in CMBC and CSPT, which the refreshment of the Current General Mandate can provide sufficient resources and financial flexibility to enable the Company to further capture investment opportunities in time in the market and to maximise Shareholders' returns in the securities market should the Group continue to focus on the development of securities trading and investments; (ii) the held-for-trading investments is wholly comprised of the equity securities listed in Hong Kong as at 30 June 2017 which the fair values of the listed equity securities investments are volatile and the Directors are of the view that realisation of the listed equity securities will further depend on the performance of its portfolio of securities invested; (iii) all of the held-for-trading investments are pledged for the other borrowings granted to the Group as at 30 June 2017 as noted in the IR 2017 (as defined below) which the listed equity securities investments may not be able to convert into cash when the Company has an imminent capital need; and (iv) the cash and bank balances of the Company was only approximately HK\$18,419,000 as at 30 June 2017, if any potential investors offer attractive terms for investment in the Shares subject to the then market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as to support the Group's future business development.

As stated in the interim report of the Company for the six months ended 30 June 2017 (the "IR 2017"), the Group held an investment portfolio with market value of approximately HK\$615.1 million (i.e. available-for-sale financial assets of approximately HK\$42.4) million and held-for-trading investment of approximately HK\$572.7 million as at 30 June 2017). We have reviewed the transactions of listed securities investment made by the Company within the period one year prior to the Latest Practicable Date. Reference is made to the announcement of the Company dated 6 July 2017, during 26 June 2017 to 6 July 2017, the Group, through its wholly owned subsidiary, acquired 98,000,000 CMBC Shares on the open market at a total consideration of approximately HK\$40.7 million which would be financed by the Group's existing financial resources. As the Directors hold positive views towards the investment in listed securities business and intends to expand its investment portfolio as long when a good investment opportunity arises. However, as noted in the IR 2017, the cash and bank balances of the Company was only approximately HK\$18.4 million as at 30 June 2017. As advised by the Company, although the existing cash resources of the Group are sufficient for the Group to meet its daily operations and daily working capital requirements, based on the fact that the working capital demands for the potential expansion of the Group's investment portfolio and the importance of timing for the securities investment business shall investment opportunity arises, there is no certainty that the existing cash resources of the Group will be adequate to fulfill such imminent capital needs in a timely manner.

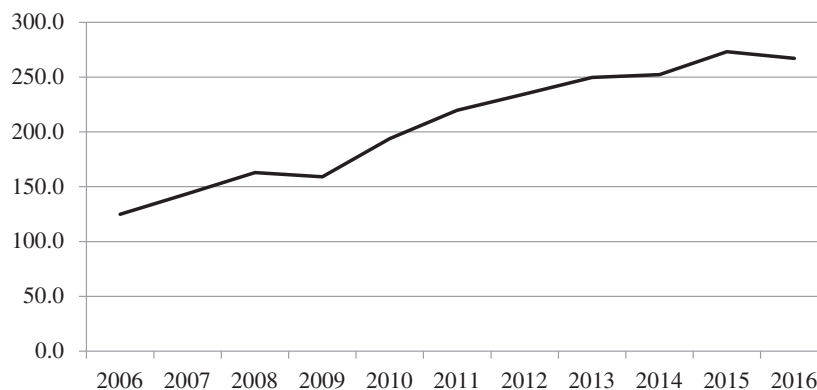
---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### Chat 2: Class D and E of private domestic residential markets in Hong Kong

#### Price Index



*Source: the website of the Rating and Valuation Department of Hong Kong*

Besides, the Group is currently holding a luxury residential property located at No. 19, Cumberland Road, Kowloon, Hong Kong and categorised as Class D and E property. Set out above are the price index for Class D and E of private domestic residential markets in Hong Kong (the “**Price Index**”) extracted from the website of the Rating and Valuation Department of Hong Kong (source: [http://www.rvd.gov.hk/en/property\\_market\\_statistics/](http://www.rvd.gov.hk/en/property_market_statistics/)), where Class D and E are defined by the Rating and Valuation Department of Hong Kong as saleable area of residential properties of 100 m<sup>2</sup> to 160 m<sup>2</sup> above. The Price Index is 267.1 in 2016, representing an increase of 113.85% as compared to the Price Index of 124.9 in 2006. Although the Price Index decreased slightly by 2.23% year-on-year to 267.1 in 2016 from 273.2 in 2015, there was a general upward trend since 2009 which record a compound annual growth rate of approximately 7.69% from 2009 to 2016.

According to the research report released in May 2017 for Hong Kong’s residential market (the “**Research Report**”) from the website of Savills plc being a recognisable and reputable independent global real estate service provider (which services include property sales, leasing, appraisal and valuation) (source: <http://www.savills.com.hk>), it sets out that the super-luxury segment continues to be a seller’s market and we can expect more record breaking prices this year. Affluent mainlanders (most with HKID) and local families are still looking for trophy assets/niche products but finding them more and more difficult to identify. Generally these wealthy families are looking for detached/semi-detached 3-storey houses of 4,000 to 5,000 sq. ft., clear ceiling heights of 12-feet or above, internal lifts and large private gardens for a price of HK\$300 million or above. Available stock fitting all these criteria is hard to come by and many high net worth individuals are also looking for sites to develop their own houses with all the desired features.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As advised by the Directors, the Group will continue to look for investment opportunity of acquiring other residential properties in Hong Kong including but not limited to the luxury residential properties and intends to expand its investment property portfolio with an aim to generate future economic benefits by earning rentals and/or for capital appreciation. The refreshment of the Current General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises.

As noted in the Board Letter, the next annual general meeting of the Company is expected to be held in about May 2018, which is more than 6 months from the Latest Practicable Date. In order to maintain the flexibility for the Company to raise further funds through the issue of new Shares for its future business development and expansion and/or pursuing investment opportunities, the Board proposes to seek for the refreshment of the Current General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing such resolution.

### ***Financial flexibility***

Due to the nature of the Group principal business of securities trading and investment and investment property in Hong Kong, the Group is required to have sufficient financial resources on hand or readily available financing alternatives in order to capture suitable opportunities which may arise from time to time to maximise Shareholder's returns. The Group conducted few equity fund raising activities in the past 24 months. As disclosed in the announcement of the Company dated 18 September 2017, the net proceeds from the August Placing in aggregate of HK\$57.6 million (which was originally intended for securities trading and investment) would be utilised for money lending business development of the Group and as to approximately HK\$50 million have been utilised as at the Latest Practicable Date, the net proceeds from each of the other previous fund raising activities were fully utilised. It is noted that, based on our discussion with the Directors, should the Company issue new Shares using the refreshed Current General Mandate, funds raised would primarily be applied for investments rather than to fund general working capital of the Company.

Should suitable business opportunity be identified which, in the view of the Directors, is beneficial to the Group, there is no certainty that the existing cash and financing resources will be adequate to capture such opportunity. If the Group does not have sufficient cash or financing resources on hand, the Group may lose such suitable opportunity in which the Directors consider favourable to the Group. In addition, unexpected circumstances in relation to the Group's sources of funding may arise which may affect the Group's cash position prior to the next annual general meeting of the Company. For example, such unexpected circumstances may include, but not limited to, changes in economic conditions which may affect commercial banks' appetite to grant loans to the Company which in turn may affect the cash position of the Group. In such event, the Group may also need additional funds to cover working capital requirements and/or investment needs.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Although the Company is not considering or in negotiation of any fund raising activities and it does not have any immediate plans for any new issue of Shares under the refreshed Current General Mandate, the Board will not rule out the possibility that the Company may conduct equity and/or other financing fund raising exercises to support such future developments of the Group, including but not limited to utilisation of the refreshed Current General Mandate, if any other potential investment opportunities arise or any change of the Group's current circumstances and existing or revised business plans. The refreshment of the Current General Mandate provides one more financing alternative for the Company to decide the most appropriate means of fund raising exercises under different circumstances.

### *Financial information of the Group*

As set out in the AR 2016, the Group recorded a revenue of approximately HK\$78,369,000 for the year ended 31 December 2016, representing an increase of 90.32% as compared with the corresponding period of last year of approximately HK\$41,178,000. The increase in revenue was resulted from the development of the new e-commerce business.

The net profit attributable to shareholders of the Company for the year ended 31 December 2016 amounted to approximately HK\$97,451,000, an increase of approximately HK\$145,075,000, when compared to the net loss of approximately HK\$47,624,000 for the previous year. As advised by the Company, the substantial increase in profit was mainly attributed to (i) net profit of approximately HK\$71,310,000 from the new e-commerce business segment; (ii) gain on disposal of approximately HK\$113,444,000 of a subsidiary which indirectly held an investment property in Hong Kong; (iii) fair value gains of approximately HK\$16,000,000 on investment property; (iv) net unrealised loss of held-for-trading investments approximately HK\$43,140,000 and (v) the share-based payment expenses of approximately HK\$10,490,000 arising from granting of share options recorded for the year ended 31 December 2016.

As set out in the AR 2016, the Group had total cash and bank balances of approximately HK\$29,169,000 as at 31 December 2016, representing a decrease of 70.27 % when comparing to the previous year. The Group recorded a total current assets of approximately HK\$488,792,000 as at 31 December 2016 as compared to HK\$230,841,000 as at 31 December 2015 and a total current liabilities of approximately HK\$168,414,000 as at 31 December 2016 as compared to HK\$209,787,000 as at 31 December 2015. The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 2.9 as at 31 December 2016 and 1.1 as at 31 December 2015.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As set out in the IR 2017, the Group recorded a revenue of approximately HK\$83,076,000 for the six months ended 30 June 2017, representing a substantial increase of approximately 23 times to the corresponding period of last year of approximately HK\$3,461,000. The increase in revenue was mainly due to the increase in dividend revenue from securities trading and investment and interest income from provision of financing service businesses.

The net profit attributable to shareholders of the Company for the six months ended 30 June 2017 amounted to approximately HK\$307,805,000, an increase of approximately HK\$324,524,000, when compared to the net loss of approximately HK\$16,719,000 for the corresponding period of last year. The profit was mainly attributed to (i) net profit of approximately HK\$343,654,000 from the securities trading and investment business segment which included net unrealised gain of held-for trading investments approximately of HK\$266,514,000; (ii) net profit of approximately HK\$2,291,000 from provision of financing service business segment; and (iii) fair value gains of approximately HK\$6,000,000 on investment property.

As set out in the IR 2017, the Group had total cash and bank balances of approximately HK\$18,419,000 as at 30 June 2017, representing a decrease of approximately 36.85% when comparing to the cash and bank balances of approximately HK\$29,169,000 as at 31 December 2016. The Group recorded total current assets of approximately HK\$845,895,000 as at 30 June 2017 as compared to HK\$488,792,000 as at 31 December 2016 and total current liabilities of approximately HK\$243,409,000 as at 30 June 2017 as compared to HK\$168,414,000 as at 31 December 2016. The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 3.48 as at 30 June 2017 and 2.9 as at 31 December 2016.

As noted in the IR 2017, the significant improvement of the Group's financial performance for the six months ended 30 June 2017 was contributed by, including but not limited to, the profit from the securities trading and investment business segment which included net unrealised gain of held-for trading investments and fair value gains on investment property. Moreover, the Group will continue to focus on the development of securities trading and investments, provision of financing services and investment property in Hong Kong. The Directors believe that such core businesses of the Group are able to produce steady income stream given the existing market conditions and the resources available. The stock market in Hong Kong sustained a general uptrend in the first half of 2017. Besides, the residential property market in Hong Kong stayed largely active in the reporting period. The number of residential property transactions and overall flat prices also increased notwithstanding the government's tighten up of the exemption arrangement regarding the acquisition of more than one residential property under a single instrument in respect of the stamp duty imposed by the government.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With reference to the financial statement of the Group, we note that significant portion of the Group's profit was attributable to other gains, including but not limited to, the fair value gain on financial assets at fair value through profit or loss and gain on disposal of available-for-sale financial assets. There is no assurance that the Group will continue to record such gains in the future subject to the price fluctuation of those assets. In addition, parts of the gains were fair value adjustment and did not generate actual cash inflow for the Group during the corresponding period. We are of the view that although the Directors have no concrete plan for raising capital by issuing new Shares as at the Latest Practicable Date, the Company intends to raise fund mainly on the investment in listed securities and property in Hong Kong in the future which are the main stream of the Group and also in line with the development plan of the Company.

Through discussion with the Management and the fact that potential business opportunities such as the securities trading business and property investment business may arise from time to time and require the Group to react promptly to capture such opportunities, we considered that the granting of the refreshment of the Current General Mandate by way of issuing new Shares under the refreshed Current General Mandate, including but not limited to placing of Shares, which provides an opportunity for the Group to strengthen the Group's capital base and financial position so as to better equip the Group with the financial flexibility for development of the existing business or any other new business of the Group and give the Company an additional option to raise funds for suitable investment which is in line with the Company's core business in a timely manner when proper opportunities of acquisitions emerge in the future, which in turn will strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to the Company's equity holders and the Company itself in a long term.

Having considered (i) the Current General Mandate has been utilised as to approximately 100% upon completion of the August Placing which the refreshment of the Current General Mandate provides a flexible means for the Company to raise further funds through the issue of new Shares; (ii) the principal business of the Company which requires imminent capital requirement in order to capture the investment opportunities as and when arise; (iii) the working capital demands for the potential expansion of the Group's investment portfolio and the importance of timing for the securities investment business shall investment opportunity arises, there is no certainty that the existing cash resources of the Group will be adequate to fulfill such imminent capital needs in a timely manner; (iv) the next annual general meeting of the Company is expected to be held in about May 2018, which is more than 6 months from the Latest Practicable Date; (v) the grant of the refreshed Current General Mandate can strengthen the capital base by way of issuing new Shares under the refreshed Current General Mandate, including but not limited to placing of Shares, which provides an opportunity for the Group to strengthen the Group's capital base and financial position; and (vi) the grant of the refreshed Current General Mandate shall provide the Directors with greater autonomy and flexibility to respond to the competitive and rapidly changing capital

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

market in a timely manner, we concur with the view of the Directors that the refreshment of the Current General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

### **Other financing alternatives**

As noted from the Board Letter, the Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances taking into consideration of the urgency of funding need and the nature of new potential projects and new business opportunities when such projects or business opportunities becoming materialised, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. The Company will consider the internal resources of the Group, external debt financing and other alternative equity fund raising means such as rights issue or open offer and the corresponding dilution impact before deciding to raise fund by issuing Shares under the refreshed Current General Mandate. As advised by the Directors, based on the Company's discussion with banks, as the profit of the Group is mainly contributed by the change in fair value of held-for-trading investments which is the listed securities held for trading at fair value and dividend income from investments, it is possible for the Company to obtain short-term bank financing while there is difficulty for the Company to obtain medium to long-term bank financing. However, short-term bank financing is not aligned with the Group's investment strategy with a focus on long term investment returns and the Group's corresponding investment portfolio. In addition, debt financing may require pledge of assets and/or other kind of securities which may possibly reduce the Group's flexibility in managing its portfolio. The Directors consider that it may not be easy for the Company to obtain debt financing under terms which suits the Group's investment strategy and negotiation of the borrowing terms may be time consuming given such financial conditions and performance of the Group.

Furthermore, the Group's total interest-bearing secured bank borrowings outstanding as at 30 June 2017 was approximately HK\$180.74 million. The effective interest rates for the bank borrowings range from approximately 2.5% to 2.92% per annum and for the other borrowings under the margin loan facility to the Group up to HK\$100 million at a fixed interest rate of 7% per annum payable in arrears that the Company would have to incur additional interest expenses. However, the equity raised through the issue of Shares under the refreshed Current General Mandate would not be interest-bearing and hence the Company would have a notional savings in interest payable as compared with incurring interest. As at 30 June 2017, the other borrowings were guaranteed by the Company and secured by the pledged of available-for-sale financial assets of approximately HK\$42.4 million and held-for-trading investment of approximately HK\$572.7 million respectively, we are of the view that debt financing to be relatively uncertain as compared to equity financing for the Group to obtain additional funding.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Directors have also considered other financing methods such as rights issue, open offer, if appropriate, so as to meet its financing requirements arising from any future development of the Group. It usually takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and cost for the trading arrangements which the costs for the Company to undergo such equity fund raising exercise will be relatively high as compared to equity financing through the use of a general mandate.

We were given to understand that the Directors would exercise due and careful consideration when choosing the best financing method available to the Group such as debt financing and equity financing, including but not limited to, rights issue and open offer. In any event, the Company will balance the pros and cons of various fund raising methods and conduct such fund raising which is most appropriate under the circumstances. Taking into account of the above factors, the Directors consider that equity financing by way of utilising the refreshed Current General Mandate may be more flexible, cost effective and time efficient than alternative equity financing methods as the refreshment of the Current General Mandate (i) does not incur any interest paying obligations on the Group as compared to debt financing; (ii) is less costly and time-consuming than other pre-emptive fund raising methods such as rights issue and open offer that lengthy discussion with potential commercial underwriters may be required, which may result in failure of financing in business development and/or acquisition of investment opportunities in a timely manner and commission would probably be incurred; and (iii) provides the Company with the capability to capture any capital raising or prospective investment opportunity in a timely manner as and when it arises. With this being the case, the refreshment of the Current General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more cost and time consuming process of applying for specific mandate when such need for capital may arise in the future, hence we are of the view that the refreshment of the Current General Mandate is in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### Fund raising activities in the past twelve months

Set out below are the fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
26 July 2017 and 7 August 2017	Placing of up to 400,000,000 new Shares at the price of HK\$0.090 per placing share	The net proceeds from the placing amount to approximately HK\$34.6 million	The net proceeds from the Placing are intended to be used for securities trading and investment of the Group.	Used for securities trading and investment of the Group.
31 August 2017 and 18 September 2017	Placing of up to 427,000,000 new Shares at the price of HK\$0.14 per placing share	The net proceeds from the placing amount to approximately HK\$57.6 million	The net proceeds from the August Placing was originally intended to be used for securities trading and investment of the Group while the Board resolves to apply towards the money lending business development of the Group.	The net proceeds of approximately HK\$50 million have been utilised in the money lending business as at the Latest Practicable Date.  The remaining balances not yet been utilised and remained in the bank.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Potential dilution on shareholdings

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings assumes upon full utilisation of the refreshed Current General Mandate:

Shareholders	As at the Latest Practicable Date		(i) Assuming full utilisation of the refreshed Current General Mandate	
	Number of Shares	%	Number of Shares	%
China Soft Power Technology Holdings Limited and its subsidiaries	691,830,188	8.48	691,830,188	7.07
<b>Directors</b>				
Mr. Siu Yun Fat	68,800,000	0.84	68,800,000	0.70
Mr. Chen Xiaodong	1,005,313	0.01	1,005,313	0.01
Mr. Cai Linzhan	32,289,144	0.40	32,289,144	0.33
Mr. Yu Qingrui	90,404,425	1.11	90,404,425	0.92
Mr. Hon Hak Ka	3,336,000	0.04	3,336,000	0.03
Mr. Tam Tak Wah	267,340	0.00	267,340	0.00
<b>Sub-total</b>	196,102,222	2.40	196,102,222	1.99
Public Shareholders	7,269,255,588	89.12	7,269,255,588	74.27
Shares to be issued under the refreshed Current General Mandate	–	–	1,631,437,599	16.67
<b>Total</b>	<b>8,157,187,998</b>	<b>100.00</b>	<b>9,788,625,597</b>	<b>100.00</b>

The table above illustrates that the shareholding of the existing public Shareholders would decrease from approximately 89.12% as at the Latest Practicable Date to approximately 74.27% upon full utilisation of the refreshed Current General Mandate and such potential dilution to the shareholding of the existing public Shareholders represents a maximum dilution of approximately 14.85%.



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Having considered the refreshment of the Current General Mandate will (i) provide alternative means for the Company to raise capital; (ii) the refreshed Current General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current volatile financial market; and (iii) the fact that the shareholding of the Shareholders will be decreased proportionally to their respective shareholdings upon any utilisation of the refreshed Current General Mandate on the condition that no new Shares under the refreshed Current General Mandate are issued to existing Shareholders or holders of the Share Options that, we consider such potential dilution to shareholdings of the existing public Shareholders to be justifiable.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the refreshment of the Current General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Current General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Veda Capital Limited**  
**Julisa Fong**  
*Managing Director*

*Note:*

Ms. Julisa Fong is a licensed person under the SFO to engage in Type 6 (advising on corporate finance) regulated activity and has over 20 years of experience in investment banking and corporate finance.

*Details of the Directors who will retire from office at the EGM and be eligible to offer themselves for re-election at the EGM are set out below:*

**MR. CAI LINZHAN**

Mr. Cai, aged 30, is the Chief Strategy Officer (Film Production) of China Wisdom since August 2016 and has been appointed as an executive Director with effect from 24 June 2017. He was the Chief Executive Officer of the Company for the period from 24 June 2017 to 5 October 2017.

Mr. Cai graduated from a junior college program of International Economics and Trade (國際經濟與貿易) in South China Institute of Software Engineering, Guangzhou University (廣州大學華軟軟件學院) in 2009.

He held management positions with various real estate companies and has many years of experience in property development. He is now serving as the deputy general manager of a real estate developer, namely 蕪湖匯錦置業有限公司 in the PRC since 2014. Mr. Cai is a cousin of Mr. Chen Xiaodong, an executive Director and the Chief Executive Officer of the Company.

Save as disclosed above, Mr. Cai does not have any relationship with any directors, senior management and substantial shareholders of the Company.

As at the Latest Practicable Date, Mr. Cai has a personal interest in 32,289,144 Shares of the Company, representing approximately 0.40% of the total issued share capital of the Company (other than the 64,000,000 Share Options granted to Mr. Cai as disclosed in this circular subject to the Independent Shareholder's approval).

Mr. Cai currently has an employment contract with China Wisdom with a remuneration package including share options for the right to subscribe for a total of 31,000,000 Shares granted under the Share Option Scheme which have already been fully exercised on 22 September 2017. The Company has also entered into a service contract with Mr. Cai, pursuant to which, he is entitled to an annual director's fee of HK\$180,000. Such fees are determined with reference to his skills, knowledge, qualification, experience and responsibilities as reviewed by the Remuneration Committee of the Company from time to time. The appointment of Mr. Cai is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, there is no other information relating to Mr. Cai which is required to be disclosed under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Cai.

**MR. CHEN XIAODONG**

Mr. Chen, aged 35, has been appointed as an executive Director with effect from 11 August 2017 and the Chief Executive Officer of the Company with effect from 6 October 2017. Mr Chen holds a bachelor degree of management from Royal Holloway, University of London and a master of science degree in process technology and business management from University of Warwick. He has more than 10 years of experience in bank and securities marketing and is familiar with the local market and Mr. Chen is currently an executive director and the chairman of China Soft Power Technology Holdings Limited (Stock code: 139) (“CSPT”). Mr. Chen has a personal interest in 4,180,246 shares of CSPT and also a personal interest in share options to subscribe for a total of 89,600,000 shares granted under CSPT’s share option scheme.

Ocean Wave Motion Pictures (International) Limited (“**Ocean Wave**”) is a company incorporated in Hong Kong with limited liability. Mr. Chen is the sole director and has 50% interests in the shares of Ocean Wave. On 12 July 2016, China Wisdom entered into a film agreement with Ocean Wave in relation to the investment of an amount of RMB12,000,000 in a film project tentatively known as “Girls 2” (《閨蜜2》). As at the Latest Practicable Date, China Wisdom has invested RMB10,800,000 in cash for investment in the film. On 21 September 2017, China Wisdom and Ocean Wave entered into an agreement pursuant to which China Wisdom has agreed to advance a sum of US\$1,320,000 (or its Hong Kong dollars equivalence) to Ocean Wave for Ocean Wave to distribute a film project tentatively known as “Death Wish” (《猛龍怪客》).

On 28 March 2017, the spouse of Mr. Chen, Ms. Lam Yan Bing had entered into a loan agreement with Globally Finance Limited, a wholly-owned subsidiary of the Company, regarding a loan of HK\$15,000,000 for a period of one year. Mr. Chen is also a cousin of Mr. Cai Linzhan, an executive Director.

Save as disclosed above, Mr. Chen does not has any relationship with any directors, senior management and substantial shareholders of the Company. As at the Latest Practicable Date, Mr. Chen holds 1,005,313 Shares of the Company.

The Company has entered into a service contract with Mr. Chen, pursuant to which, he is entitled to an annual director’s fee of HK\$360,000. Such fees are determined with reference to his skills, knowledge, qualification, experience and responsibilities as reviewed by the Remuneration Committee of the Company from time to time. The appointment of Mr. Chen is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, there is no other information relating to Mr. Chen which is required to be disclosed under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Chen.

**MR. HON HAK KA**

Mr. Hon, aged 56, has been appointed as an independent non-executive Director with effect from 20 July 2017. Mr. Hon graduated from the Faculty of Telecommunication and Automatic Control (電信與自動控制系) of Lanzhou Railway Institute (蘭州鐵道學院) (now known as Lanzhou Jiaotong University (蘭州交通大學)), Lanzhou, the PRC, specialising in Electronic Technology (電子技術專業). Mr. Hon has extensive experience in the field of property development and management and equity investment management in the PRC.

Mr. Hon did not hold any directorships in any publicly listed companies in Hong Kong or overseas in the last three years, and he does not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Hon and his spouse are interested in 2,020,000 and 1,316,000 shares in the Company, respectively. Under the SFO, Mr. Hon is deemed to be interested in 3,336,000 Shares in the Company.

The Company has issued a letter of appointment for Mr. Hon for a term of one year, pursuant to which, he is entitled to receive a director's fee of HK\$50,000 per month. Such fees are determined with reference to his experience as reviewed by the Remuneration Committee of the Company from time to time. The appointment of Mr. Hon is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, there is no other information relating to Mr. Hon which is required to be disclosed under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Hon.

---

## NOTICE OF EGM

---



### 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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of Future World Financial Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Tuesday, 31 October 2017 at Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors (the “**Directors**”) of the Company at the annual general meeting of the Company held on 31 May 2017 be and is hereby replaced by the mandate **THAT**:
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with unissued shares (the “**Shares**”) of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

---

## NOTICE OF EGM

---

(c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the number of issued Shares of the Company on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders (the “**Shareholders**”) of the Company) the number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares of the Company on the date of the annual general meeting of the Company held on 31 May 2017 (the “**AGM**”)), pursuant to the resolution passed at the AGM

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

---

## NOTICE OF EGM

---

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

2. “**THAT**

- (a) the grant of the 64,000,000 share options (the “**Mr. Siu Share Options**”) by the Company under the share option scheme of the Company adopted by resolution of the shareholders of the Company on 22 February 2012 (the “**Share Option Scheme**”) to Mr. Siu Yun Fat (“**Mr. Siu**”) to subscribe 64,000,000 Shares of HK\$0.001 each in the share capital of the Company at the subscription price of HK\$0.127 per Share (subject to adjustments pursuant to the Share Option Scheme) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any Director(s) be and are hereby authorised to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as he/she may in his/her opinion be necessary, desirable or expedient in connection with the grant of the Mr. Siu Share Options to Mr. Siu and the transactions contemplated thereunder.”

---

## NOTICE OF EGM

---

3. **“THAT**

- (a) the grant of the 64,000,000 share options (the **“Mr. Cai Share Options”**) by the Company under the Share Option Scheme to Mr. Cai Linzhan (**“Mr. Cai”**) to subscribe 64,000,000 Shares of HK\$0.001 each in the share capital of the Company at the subscription price of HK\$0.127 per Share (subject to adjustments pursuant to the Share Option Scheme) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any Director(s) be and are hereby authorised to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as he/she may in his/her opinion be necessary, desirable or expedient in connection with the grant of the Mr. Cai Share Options to Mr. Cai and the transactions contemplated thereunder.”

4. **“THAT**

- (a) the grant of the 64,000,000 share options (the **“Mr. Yu Share Options”**) by the Company under the Share Option Scheme to Mr. Yu Qingrui (**“Mr. Yu”**) to subscribe 64,000,000 Shares of HK\$0.001 each in the share capital of the Company at the subscription price of HK\$0.127 per Share (subject to adjustments pursuant to the Share Option Scheme) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any Director(s) be and are hereby authorised to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as he/she may in his/her opinion be necessary, desirable or expedient in connection with the grant of the Mr. Yu Share Options to Mr. Yu and the transactions contemplated thereunder.”



---

## NOTICE OF EGM

---

5. “**THAT**

- (a) the grant of the 64,000,000 share options (the “**IM Share Options**”) by the Company under the Share Option Scheme to the investment manager of the Company (“**Investment Manager**”) to subscribe 64,000,000 Shares of HK\$0.001 each in the share capital of the Company at the subscription price of HK\$0.127 per Share (subject to adjustments pursuant to the Share Option Scheme) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any Director(s) be and are hereby authorised to do any act or things to sign, seal, execute and/or deliver any documents for and on behalf of the Company as he/she may in his/her opinion be necessary, desirable or expedient in connection with the grant of the IM Share Options to the Investment Manager and the transactions contemplated thereunder.”

6. “**THAT**

- (a) To re-elect Mr. Cai Linzhan as an executive Director;
- (b) To re-elect Mr. Chen Xiaodong as an executive Director; and
- (c) To re-elect Mr. Hon Hak Ka as an independent non-executive Director”

For and on behalf of the Board of  
**Future World Financial Holdings Limited**  
**Siu Yun Fat**  
*Chairman*

Hong Kong, 13 October 2017

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 912, 9th Floor  
New East Ocean Centre  
9 Science Museum Road  
Kowloon  
Hong Kong

---

## NOTICE OF EGM

---

*Notes:*

1. The Register of Members will be closed from Thursday, 26 October 2017 to Tuesday, 31 October 2017, both days inclusive, during which period no transfer of the Company's shares will be registered. In order to establish the identity of the Company's shareholders who are entitled to attend and vote at the extraordinary general meeting of the Company to be held on Tuesday, 31 October 2017, all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 25 October 2017.
2. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, the form of proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the offices of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
6. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the form of proxy shall be deemed to be revoked.

---

## NOTICE OF EGM

---

8. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. to 5:00 p.m. on the date of the EGM, the EGM will be postponed and Members will be informed of the date, time and venue of the postponed EGM by a supplementary notice, posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 8:00 a.m. on the date of the EGM and where conditions permit, the EGM will be held as scheduled.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted or remain hoisted after 8:00 a.m. but lowered at or before 12 noon on the date of the EGM, the EGM will be adjourned to 3:00 p.m. on the same day at the same venue.

The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, members of the Company should decide whether they would attend the EGM under bad weather condition and if they do so, they are advised to exercise care and caution.