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**FUTURE WORLD FINANCIAL HOLDINGS LIMITED**

**未 來 世 界 金 融 控 股 有 限 公 司**

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

**(Stock Code: 572)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**

**CWSI**

中達證券

**Central Wealth Securities Investment Limited**

中達證券投資有限公司

On 11 December 2017 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,630,000,000 Placing Shares at the Placing Price of HK\$0.145 per Placing Share to not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the EGM held on 31 October 2017.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 19.98% of the existing issued share capital of the Company of 8,157,187,998 Shares as at the date of this announcement; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,630,000.

The Placing Price of HK\$0.145 represents a discount of approximately 17.61% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.176 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.161 in the last five trading days prior to the date of the Placing Agreement.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$236 million and HK\$228 million respectively. On such basis, the net issue price will be approximately HK\$0.140 per Placing Share.

**Since completion of the Placing is subject to the fulfillment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board announces that on 11 December 2017 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,630,000,000 Placing Shares at the Placing Price of HK\$0.145 per Placing Share to not less than six Placers who and whose beneficial owners shall be Independent Third Parties. The principal terms of the Placing Agreement are set out below.

## **THE PLACING AGREEMENT**

### **Date**

11 December 2017 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

Central Wealth Securities Investment Limited, an Independent Third Party

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,630,000,000 Placing Shares to independent Placees. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. The Placing Agent is a wholly-owned subsidiary of China Soft Power Technology Holdings Limited ("CSPT"), a company incorporated in Bermuda with limited liabilities and the issued ordinary shares of CSPT ("CSPT Shares") are listed on the Main Board of the Stock Exchange.

As disclosed in the announcements of the Company dated 30 September 2015 and 27 October 2015, the Group made an advancement in the principal amount of up to HK\$90,000,000 to the holding company of the Placing Agent. As further disclosed in the announcement of the Company dated 1 September 2017, CSPT entered into an agreement with the lender, a direct wholly-owned subsidiary of the Company, to acquire the advancement and the consideration of HK\$90,000,000 was settled by the issue and allotment of 833,333,333 CSPT Consideration Shares at an issue price of HK\$0.108 per CSPT Consideration Share. Please refer to the announcements for further details.

As disclosed in the announcement of the Company dated 19 September 2017, on 7 September 2017, a direct wholly-owned subsidiary of the Company, as lender and CSPT as borrower entered into a loan agreement for the grant of a loan facility in the amount of up to HK\$35,000,000 to CSPT for a term of three years. The facility amount was further increased upto to HK\$150,000,000 pursuant to a supplemental loan agreement dated 19 September 2017.

Also, the Company has conducted a placing of 400,000,000 Shares as disclosed in the announcements of the Company dated 26 July 2017 and 7 August 2017 and a placing of 427,000,000 Shares as disclosed in the announcements of the Company dated 31 August 2017 and 18 September 2017, both through the Placing Agent.

Save for that (i) the Group (through its subsidiaries) is interested in 1,170,621,316 CSPT Shares, representing approximately 9.205% of the issued share capital of CSPT immediately prior to the entering into of the Placing Agreement; (ii) CSPT and its subsidiaries are interested in 691,830,188 Shares, representing approximately 8.481% of the issued share capital of the Company immediately prior to the entering into of the Placing Agreement; (iii) Mr. Yu Qingrui, an executive Director both of the Company and of CSPT, is holding 90,404,425 Shares and 5,563,610 CSPT Shares; (iv) Mr. Chen Xiaodong, an executive Director of both the Company and of CSPT, is holding 1,005,313 Shares and 4,180,246 CSPT Shares; and (v) certain other directors of CSPT also in aggregate hold 112,949,431 Shares, CSPT and its ultimate beneficial owner(s) are Independent Third Parties.

Each of Mr. Chen Xiaodong and Mr. Yu Qingrui, being common directors of CSPT and the Company, has abstained from voting on the relevant board resolutions relating to the Placing Agreement and the transactions contemplated thereunder.

The Placing Agent will charge the Company a placing commission equivalent to 3.5% of the Placing Price in respect of such number of Placing Shares successfully placed by the Placing Agent plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Placing.

## **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties.

## **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 19.98% of the existing issued share capital of the Company of 8,157,187,998 Shares as at the date of this announcement; and (ii) approximately 16.65% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,630,000.

## **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon allotment and issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.145 represents a discount of approximately 17.61% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.176 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.161 in the last five trading days prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing will be approximately HK\$236 million and HK\$228 million respectively. On such basis, the net issue price will be approximately HK\$0.140 per Placing Share.

## **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the EGM subject to the limit up to 20% of the then number of Shares in issue of the Company as at the date of the EGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Under the General Mandate, the Company is authorized to issue up to 1,631,437,599 Shares. Up to the date of this announcement, the General Mandate has not been utilized. The maximum of 1,630,000,000 Placing Shares to be allotted and issued will utilize approximately 99.99% of the General Mandate.

## **Application for listing of Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **Condition of the Placing Agreement**

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before 5 January 2018 (“**Long Stop Date**”).

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breaches of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements).

## **Completion of the Placing**

Completion of the Placing shall take place on the third Business Day after the fulfillment of the above condition or on such other date as the Company and the Placing Agent may agree in writing.

## **Force majeure**

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement and the previously published announcements by the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

**Since completion of the Placing is subject to the fulfillment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The principal activity of the Company is investment holding. The subsidiaries of the Company are 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.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$236 million and HK\$228 million respectively.

The net proceeds from the Placing are intended to be used for as to approximately HK\$51 million for repayment of margin loans, as to approximately HK\$20 million for property investment, as to approximately HK\$60 million for money lending business development of the Group, as to approximately HK\$80 million for securities trading and investment of the Group and as to the remaining balance for general working capital.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities and obligations. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.



The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of prospectus with other application and administrative procedures (such as arrangements for nil-paid rights shares) which may lead to relatively longer time and additional administrative cost to complete as compared to the equity financing through issue of new Shares under General Mandate.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

<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\$0.09 per placing share.	The net proceeds from the placing amount to approximately HK\$34.6 million.	The net proceeds from the placing was originally intended to be used for the business development of the money lending business and subsequently changed to securities trading and investment of the Group.	The net proceeds from the placing were 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 placing was originally intended to be used for securities trading and investment of the Group while the Board resolved to apply the same towards the money lending business development of the Group.	The net proceeds of approximately HK\$57.6 million was utilized in the money lending business of the Group as at the date of this announcement.

Save as disclosed above, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## 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 completion of the Placing (subject to completion of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
Directors ( <i>Note</i> )	196,102,222	2.40%	196,102,222	2.00%
The Placees	–	–	1,630,000,000	16.65%
CSPT and its subsidiaries	691,830,188	8.48%	691,830,188	7.07%
CSPT directors	112,949,431	1.39%	112,949,431	1.16%
Other Shareholders	<u>7,156,306,157</u>	<u>87.73%</u>	<u>7,156,306,157</u>	<u>73.12%</u>
Total:	<u>8,157,187,998</u>	<u>100.00%</u>	<u>9,787,187,998</u>	<u>100.00%</u>

*Note:*

The 196,102,222 Shares are owned as to 68,800,000 Shares by Mr. Siu Yun Fat, 1,005,313 by Mr. Chen Xiaodong, 32,289,144 Shares by Mr. Cai Linzhan, 90,404,425 Shares by Mr. Yu Qingrui, 3,336,000 Shares by Mr. Hon Hak Ka and 267,340 Shares by Mr. Tam Tak Wah respectively.

## DEFINITIONS

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

“associates” has the meaning ascribed to this term under the Listing Rules

“Board” the board of Directors

“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“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 Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	Director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened on 31 October 2017
“General Mandate”	the general mandate granted to the Directors at the EGM to allot, issue or deal with up to 20% of the number of Shares in issue as at the date of the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Central Wealth Securities Investment Limited, the placing agent and a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 11 December 2017 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.145 per Placing Share
“Placing Shares”	an aggregate of up to 1,630,000,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 11 December 2017

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