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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)**

**INSIDE INFORMATION  
ADOPTION AND INDICATION OF  
HKFRS 9 ON EQUITY INVESTMENTS**

This announcement is made by Future World Financial Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) concerning disclosure of inside information and Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

**THE EFFECT OF HKFRS 9 ON 1 JANUARY 2018 ON EQUITY INVESTMENTS**

Hong Kong Financial Reporting Standards (“**HKFRS**”) 9 Financial Instrument issued by the Hong Kong Institute of Certified Public Accountants has been effective for annual periods on or after 1 January 2018.

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’ business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

Entities may make an irrevocable election at initial recognition to designate investment in equity instruments that are not held for trading at FVTOCI and FVTOCI shall be classified as non-current assets. This election is made on instrument-by-instrument basis. Changes in fair value of the equity investments designated as at FVTOCI are recognised in other comprehensive income and shall not be subsequently classified to profit or loss. Dividends on such investments are generally recognised in profit or loss.

## **THE ADOPTION OF HKFRS 9 BY THE GROUP ON EQUITY INVESTMENTS**

The Group has adopted HKFRS 9 for the first time in preparing its consolidated financial statements for the six-month ended 30 June 2018 and for the year ending ended 31 December 2018.

Before the adoption of HKFRS 9, the Group held 1,300,000,000 shares (“CMBC Shares”) in the issued share capital of CMBC Capital Holdings Limited (“CMBC”, Stock code: 1141) which was classified and measured at fair value through profit or loss under HKAS 39. As at 1 January 2018, the directors of the Company assessed the business model of holding such equity investments and concluded that they are not held as trading investments and therefore should be classified as FVTOCI under the new HKFRS 9. Changes in fair value of the 1,300,000,000 CMBC Shares for the year ending 31 December 2018 will be recognised in other comprehensive income (rather than in profit or loss under HKAS 39).

Before the adoption of HKFRS 9, the Group also held 224,000,000 CMBC Shares and 553,954,650 shares of China Soft Power Technology Holdings Limited (Stock code: 139), which were classified as available-for-sale financial assets under HKAS 39 and are measured at fair value through other comprehensive income. Upon the adoption of HKFRS 9 by the Group, such available-for-sale financial assets should be designated as FVTOCI and will remain to be measured at fair value through other comprehensive income as under HKAS 39 previously.

For the avoidance of doubt, the comparative information shown in the consolidated financial statements of the Group for the six months ended 30 June 2018 and the year ending 31 December 2018 will not be restated under HKFRS 9 – Exemption from the requirement to restate comparative information.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board

**Future World Financial Holdings Limited**

**Siu Yun Fat**

*Chairman*

Hong Kong, 26 July 2018

*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. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.*