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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION OF NEW SHARES

On 27 February 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 900,000,000 new Shares, at the Subscription Price of HK\$0.064 per Subscription Share.

The Subscription Shares represent (i) approximately 7.77% of the existing issued share capital of the Company of 11,580,291,446 Shares as at the date of this announcement; and (ii) approximately 7.21% of the enlarged issued share capital of the Company of 12,480,291,446 Shares immediately following the completion of the Subscription, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the completion of the Subscription. The aggregate nominal value of the Subscription Shares will be HK\$900,000.

The Subscription Price of HK\$0.064 per Subscription Share represents (i) a discount of approximately 18.99% to the closing price of HK\$0.079 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 1.54% to the average closing price of HK\$0.065 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 31 May 2018.

The gross proceeds and net proceeds from the Subscription will be HK\$57.6 million and approximately HK\$57.5 million, respectively. The net issue price will be approximately HK\$0.0639 per Subscription Share. The net proceeds from the Subscription are intended to be used by the Company as to HK\$41 million for development of its existing trading business and HK\$16.5 million for general working capital purposes.

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

INTRODUCTION

The Board announces that on 27 February 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 900,000,000 new Shares at the Subscription Price of HK\$0.064 per Subscription Share.

The principal terms of the Subscription Agreement are set out below.

THE SUBSCRIPTION AGREEMENT

Date

27 February 2019 (after trading hours)

Parties

Issuer: The Company

Subscriber: Victory Intelligence Industry Limited

The Subscriber is a company incorporated in Hong Kong with limited liability on 4 October 2017 and principally engaged in investment holding. Its entire issued share capital is owned by Ms. Zhu Qian (朱茜), a private investor in the PRC.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Subject matter

Pursuant to the Subscription Agreement, subject to the fulfillment of the conditions referred to in the paragraph headed "Conditions of the Subscription" below, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price to the Subscriber.

The Subscriber will not become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Subscription.

Subscription Shares

The Subscription Shares represent (i) approximately 7.77% of the existing issued share capital of the Company of 11,580,291,446 Shares as at the date of this announcement; and (ii) approximately 7.21% of the enlarged issued share capital of the Company of 12,480,291,446 Shares immediately following the completion of the Subscription, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the completion of the Subscription. The aggregate nominal value of the Subscription Shares will be HK\$900,000.

Subscription Price

The Subscription Price of HK\$0.064 per Subscription Share represents:

- (i) a discount of approximately 18.99% to the closing price of HK\$0.079 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 1.54% to the average closing price of HK\$0.065 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares and the recent market conditions.

The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are normal commercial terms and are fair and reasonable and that the Subscription is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares 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 Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted or agreeing to grant (either unconditionally or subject to conditions to which the Company and the Subscriber do not object) the listing of, and permission to deal in, the Subscription Shares;
- (ii) the Shares remaining listed and traded on the Stock Exchange, and no queries or opposition being received or anticipated to be received from the Stock Exchange on the listing status of the Company;
- (iii) all other consents and approvals which are required for the entering into and the implementation of the Subscription Agreement having been obtained by the Company and the Subscriber, and such consents and approvals having remained effective as at the date of completion of the Subscription; and all applicable statutory and legal obligations having been complied with by the Company and the Subscriber;
- (iv) there being no occurrence of any incidents which may cause material adverse effects on, among others, the business and operation, financial condition or property of the Group;
- (v) none of the warranties given by the Company in the Subscription Agreement are found to be misleading or untrue in any material aspects, and the Company not having breached any of its warranties or obligations in the Subscription Agreement in any material aspects; and
- (vi) none of the warranties given by the Subscriber in the Subscription Agreement are found to be misleading or untrue in any material aspects, and the Subscriber not having breached any of its warranties or obligations in the Subscription Agreement in any material aspects.

Neither the Company nor the Subscriber shall have the right to waive any of the conditions set out in paragraphs (i), (ii) and (iii) above. The Subscriber may at its discretion waive the conditions set out in paragraphs (iv) and (v) above, whereas the Company may at its discretion waive the condition set out in paragraph (vi) above.

If the above conditions are not fulfilled or waived (as the case may be) on or before 31 March 2019 (or such other date as the Company and the Subscriber may agree in writing), the Subscription Agreement will be immediately and automatically terminated. The parties thereto will be released from all obligations thereunder, and will not be allowed to claim against each other, save for any antecedent obligations or liabilities accrued prior to such termination and any obligations in the Subscription Agreement which shall survive such termination.

Completion of the Subscription

Completion of the Subscription shall take place on the seventh Business Day after the fulfillment of the conditions referred to in the paragraph headed “Conditions of the Subscription” above and shall not be later than 15 April 2019 (or such other date as the Company and the Subscriber may agree in writing).

General Mandate to allot and issue of the Subscription Shares

The Subscription Shares will be issued under the General Mandate, which grants the Directors to allot, issue and deal with up to 2,316,058,289 Shares, representing 20% of the then number of Shares in issue of the Company as at the date of the AGM.

Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the issue of the Subscription Shares is not subject to the approval of the Shareholders.

Application for listing of the Subscription Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION 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) property investment in Hong Kong; (iv) e-commerce business; and (v) trading business and related services.

The gross proceeds and net proceeds to be raised from the Subscription will be HK\$57.6 million and approximately HK\$57.5 million, respectively. The net issue price will be approximately HK\$0.0639 per Subscription Share.

The net proceeds from the Subscription are intended to be used by the Company as to HK\$41 million for development of its existing trading business and HK\$16.5 million for general working capital purposes.

The Subscription represents a valuable opportunity for the Company to introduce the Subscriber as a strategic Shareholder and broaden the Shareholders' base. The Directors are also of the view that the Subscription can strengthen the financial position and broaden the capital base of the Company, which provides extra funding to the Group to pursue future business development opportunities. In addition, considering the recent uncertainties in the global financial market and local property market, for the purpose of risks diversification, the Group intends to revitalize its existing trading business.

The Board has reviewed other alternative fund raising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence process and negotiations with banks as well as the prevailing financial market condition, which may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures which may require relatively longer time and additional administrative cost to complete as compared to the equity financing by way of issuing of new Shares under the General Mandate.

Having considered the aforesaid, the Directors (including the independent non-executive Directors) are of the view that the Subscription is in the interests of the Company and the Shareholders as a whole.

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

The Company did not conduct 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 Subscription (assuming there being no other change in the shareholding structure of the Company immediately after the date of this announcement and up to completion of the Subscription) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Subscription	
	<i>Number of issued Shares</i>	<i>Approximate percentage</i>	<i>Number of issued Shares</i>	<i>Approximate percentage</i>
Directors (<i>Note</i>)	154,760,909	1.34%	154,760,909	1.24%
Central Wealth and its subsidiaries	2,174,933,636	18.78%	2,174,933,636	17.43%
The Subscriber	–	–	900,000,000	7.21%
Other Shareholders	9,250,596,901	79.88%	9,250,596,901	74.12%
Total	<u>11,580,291,446</u>	<u>100%</u>	<u>12,480,291,446</u>	<u>100%</u>

Note:

The 154,760,909 Shares are owned as to 68,800,000 Shares by Mr. Siu Yun Fat, 32,289,144 Shares by Mr. Cai Linzhan, 53,404,425 Shares by Mr. Yu Qingrui and 267,340 Shares by Mr. Tam Tak Wah, respectively.

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

DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened on 31 May 2018
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday, or other public holidays in Hong Kong, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business
“Central Wealth”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and its issued ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 139)
“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 (stock code: 572)
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM to allot, issue or deal with up to 20% of the number of Shares in issue as at the date of the AGM

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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
“Subscriber”	Victory Intelligence Industry Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional Subscription Agreement dated 27 February 2019 entered into between the Company and the Subscriber in relation to the Subscription

“Subscription Price”	HK\$0.064 per Subscription Share
“Subscription Shares”	the total of 900,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“per cent.”	per cent.

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

Hong Kong, 27 February 2019

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Siu Yun Fat, 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.