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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
RICH POWER INTERNATIONAL HOLDINGS LIMITED**

THE ACQUISITION

The Board is pleased to announce that, after trading hours on 3 July 2019, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares at the Consideration of HK\$148,000,000, of which HK\$100,000,000 will be satisfied in cash and the remaining balance of HK\$48,000,000 will be satisfied by issuing the Promissory Note to the Vendors upon Completion.

Upon Completion, the Company will own the entire issued share capital of the Target Company, and the Target Company will become an indirect wholly-owned subsidiary of the Company. Accordingly, the financial results, assets and liabilities of the Target Company will be consolidated into the consolidated financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement, and the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that, after trading hours on 3 July 2019, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares at the Consideration of HK\$148,000,000, of which HK\$100,000,000 will be satisfied in cash and the remaining balance of HK\$48,000,000 will be satisfied by issuing the Promissory Note to the Vendors upon Completion.

THE SALE AND PURCHASE AGREEMENT

Date

3 July 2019 (after trading hours)

Parties

- (a) The Purchaser
- (b) The Vendors

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendors are Independent Third Parties.

Subject matter to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The Consideration is HK\$148,000,000, which shall be settled in the following manner:

- (a) a sum of HK\$50,000,000, being the initial deposit of the Consideration, shall be payable to the Vendors within ten (10) Business Days upon signing of the Sale and Purchase Agreement. Such initial deposit shall be refundable to the Purchaser in the event that the conditions precedent are not satisfied (if applicable) or waived on or before the Long Stop Date and Completion does not take place in accordance with the Sale and Purchase Agreement;
- (b) a further sum of HK\$50,000,000 shall be payable to the Vendors in cash on the date of Completion; and
- (c) the remaining balance of the Consideration in the sum of HK\$48,000,000 shall be satisfied by issuing the Promissory Note in favour of the Vendors (or their nominee(s)) by the Purchaser on the date of Completion.

The Consideration will be funded by internal resources of the Group.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser by taking into account, among others, (i) the valuation prepared by Roma Appraisals Limited, an independent valuer, on the Property as at 31 May 2019 with an appraised value of RMB131,000,000 (equivalent to HK\$148,030,000); and (ii) the reasons for and benefits of the Acquisition as described under the paragraph headed "Reasons for and Benefits of the Acquisition" in this announcement below. The valuer valued the Property by comparison approach by making reference to comparable sales transactions as available in the relevant market.

Conditions precedent

Completion is conditional upon fulfillment of the following conditions:

- (a) this announcement having been published in accordance with the Listing Rules;
- (b) the Purchaser having completed and reasonably satisfied with the due diligence review in relation to the Target Company (including but not limited to the legal, financial, commercial aspects and the real properties of the Target Company);
- (c) the Vendors having provided written evidence to the satisfaction of the Purchaser that all debts and liabilities owing or incurred by the Target Company to the Vendors (which amounted to approximately HK\$32,096,000 as at 30 June 2019) having been discharged, released, waived or extinguished;
- (d) the Purchaser having obtained and reasonably satisfied with the contents of the PRC legal opinion in relation to the Property of the Target Company;
- (e) the Target Company having obtained all necessary and valid consents, approvals, orders, permits, authorisations, registrations, notices and/or waivers (as the case may be) from any governmental authorities for the purposes of its existing business operations;
- (f) there has not been any material adverse change in respect of the Target Company or occurrence of any incident which will have a material adverse effect on the business, prospects, performance, financial position and Property of the Target Company since the date of the Sale and Purchase Agreement; and
- (g) the warranties and representations given by the Vendors in the Sale and Purchase Agreement remain true and accurate in every respect.

The Purchaser may waive in writing the conditions (b), (d), (f) and (g) as set out above at its absolute discretion. The above conditions (a), (c) and (e) shall not be waivable. In the event that the conditions mentioned above cannot be fulfilled or waived by the parties to the Sale and Purchase Agreement before the Long Stop Date, the Sale and Purchase Agreement shall be terminated and the Vendors shall immediately upon termination of the Sale and Purchase

Agreement refund the received initial deposit of HK\$50,000,000 to the Purchaser, whereupon the relevant rights and obligations under the Sale and Purchase Agreement shall have no further force and effect and no party to the Sale and Purchase Agreement shall have any liability under them (without prejudice to the rights of the parties to the Sale and Purchase Agreement in respect of any antecedent breaches).

Completion

Completion is expected to take place on the fifth (5th) Business Day after the fulfilment or waiver (as the case may be) of the conditions (or such later date as the parties to the Sale and Purchase Agreement may agree in writing) mentioned above.

Upon Completion, the Company will indirectly own the entire issued share capital of the Target Company, and the Target Company will become an indirect wholly-owned subsidiary of the Company. Accordingly, the financial results, assets and liabilities of the Target Company will be consolidated into the consolidated financial statements of the Group.

Promissory Note

The terms of the Promissory Note have been negotiated on an arm's length basis between the parties and the principal terms of which are summarised below:

Issuer

The Purchaser

Principal amount

HK\$48,000,000

Interest

The Promissory Note will carry interest at the interest rate of 8% per annum. Interest shall be payable semi-annually in arrears.

The interest rate was determined after arm's length negotiations between the parties with reference to the lending rate of loans of financial institutions in Hong Kong.

Maturity

A fixed term of 24 months from the date of issue of the Promissory Note.

Early repayment

The Purchaser could, at its option, early repay the Promissory Note with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HK\$1 million by giving ten (10) Business Days' prior written notice to the Vendors.

Transferability

The Promissory Note is transferrable in integral multiples of principal amount of HK\$1 million.

INFORMATION OF THE COMPANY AND THE PURCHASER

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 Purchaser is a direct wholly-owned subsidiary of the Company incorporated in the BVI with limited liability and is principally engaged in investment holding.

INFORMATION OF THE VENDORS

Each of the Vendors is an individual investor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are Independent Third Parties.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability on 9 September 2005. It owns the Property in a development known as "Fortune Town" (振業城) (the "**Development**") in Henggang Road, Longgang District, Shenzhen, PRC* (中國深圳市龍崗區橫崗街道) for investment purpose. As at the date of this announcement, the Target Company is owned as to 50% by Mr. Weng Shiqing and 50% by Mr. Lin Zherui.

Set below is the audited financial information of the Target Company for the two years ended 31 December 2017 and 2018:

	For the year ended 31 December 2017 (audited) HK\$'000	For the year ended 31 December 2018 (audited) HK\$'000
Profit before taxation	18,362	4,159
Profit after taxation	18,362	4,159

The unaudited net asset value of the Target Company as at 30 June 2019 was approximately HK\$115,552,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been continuously exploring suitable opportunities of investment with the objective of broadening sources of income and maximizing the Shareholders' interests.

The Directors considered that the Acquisition represents an investment opportunity to participate in property investment market of the PRC. The Property comprises 19 retail units in the Development, which was completed in around 2015. The Development is a residential and commercial complex which is located near railway station and is easily accessible to highways. As at the date of this announcement, over half of the aforesaid 19 retail units owned by the Target Company in the Development have been rented out. The Directors are of the view that the relevant tenancies will provide stable income for the Group while the Group may reap the benefits from the long term potential appreciation of the Property.

In view of the above, the Directors believe that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms or better, and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement, and the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares upon and subject to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above or on which a “black” rainstorm warning is hoisted before 10:00 a.m.) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Company”	Future World Financial Holdings Limited (未來世界金融控股有限公司), 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 (stock code: 572)

“Completion”	completion of the Acquisition in accordance with the Sale and Purchase Agreement
“Connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$148,000,000 for the Acquisition
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the 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 connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	1 September 2019, or such other date as the Purchaser and the Vendors may agree
“PRC”	the People’s Republic of China

“Promissory Note”	the 24-month term 8% interest per annum promissory note with principal face value of HK\$48,000,000 to be issued by the Purchaser in favour of the Vendors (or their nominee(s))
“Property”	the property comprises 19 retail units in a development known as “Fortune Town” (振業城) located at Henggang Road, Longgang District, Shenzhen, PRC* (中國深圳市龍崗區橫崗街道)
“Purchaser”	Best Pacific Global Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3 July 2019 and entered into between the Vendors and the Purchaser in relation to the Acquisition
“Sale Shares”	ten (10) issued ordinary shares of the Target Company, representing the entire issued share capital of the Target Company as at the date of this announcement
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Rich Power International Holdings Limited, a company incorporated in Hong Kong with limited liability

“Vendors” collectively, Mr. Weng Shiqing and Mr. Lin Zherui

“%” per cent

In this announcement, the exchange rate at RMB1.00 = HK\$1.13 has been used, where applicable, for the purpose of illustration only.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*

By order of the Board
Future World Financial Holdings Limited
Wang Fei
Chairman

Hong Kong, 3 July 2019

As at the date of this announcement, the Board comprises (i) seven executive Directors, namely Mr. Wang Fei, Mr. Liang Jian, Mr. Yu Zhenzhong, Mr. Cai Linzhan, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat and Mr. Yu Qingrui; and (ii) four independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Zheng Zongjia.