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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
SHARE SWAP BETWEEN THE COMPANY AND
CHINA SOFT POWER TECHNOLOGY HOLDINGS LIMITED**

On 27 July 2017 (after trading hours), the Company and CSPT entered into the Share Swap Agreement pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CSPT shall allot and issue 470,000,000 CSPT Subscription Shares under the CSPT General Mandate, representing approximately 4.58% of the existing issued share capital of CSPT as at the date of this announcement and approximately 4.38% of the issued share capital of CSPT as enlarged by the allotment and issue of the CSPT Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share for a total consideration of HK\$51,700,000. The CSPT Subscription Shares, together with the 83,954,650 CSPT Shares held by the Company at the date of this announcement, shall represent approximately 5.16% of the enlarged issued share capital of CSPT immediately after issuing the CSPT Subscription Shares; and

(ii) CSPT shall subscribe for and the Company shall allot and issue 470,000,000 FW Subscription Shares under the General Mandate, representing approximately 7.25% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.76% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CSPT (or its nominee) at the Subscription Price of HK\$0.110 per FW Subscription Share for a total consideration of HK\$51,700,000. The FW Subscription Shares, together with 221,830,188 FW Shares held by CSPT as at the date of this announcement, shall represent approximately 9.95% of the enlarged issued share capital of the Company immediately after issuing the FW Subscription Shares.

Completion of the allotment and issue of the CSPT Subscription Shares and the FW Subscription Shares shall take place simultaneously.

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the FW Subscription Shares.

As the relevant percentages exceed 5% but are less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

The Board announces that on 27 July 2017 (after trading hours), the Company and CSPT entered into the Share Swap Agreement pursuant to which, subject to fulfillment of the conditions set out in the Share Swap Agreement, the parties thereto have agreed that:

- (i) the Company shall subscribe for and CSPT shall allot and issue 470,000,000 CSPT Subscription Shares under the CSPT General Mandate, representing approximately 4.58% of the existing issued share capital of CSPT as at the date of this announcement and approximately 4.38% of the issued share capital of CSPT as enlarged by the allotment and issue of the CSPT Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share for a total consideration of HK\$51,700,000. The CSPT Subscription Shares, together with the 83,954,650 CSPT Shares held by the Company at the date of this announcement, shall represent approximately 5.16% of the enlarged issued share capital of CSPT immediately after issuing the CSPT Subscription Shares; and
- (ii) CSPT shall subscribe for and the Company shall allot and issue 470,000,000 FW Subscription Shares under the General Mandate, representing approximately 7.25% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.76% of the issued share capital of the Company as enlarged by the allotment and issue of the FW Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to CSPT (or its nominee) at the Subscription Price of HK\$0.110 per FW Subscription Share for a total consideration of HK\$51,700,000. The FW Subscription Shares, together with 221,830,188 FW Shares held by CSPT as at the date of this announcement, shall represent approximately 9.95% of the enlarged issued share capital of the Company immediately after issuing the FW Subscription Shares.

The principal terms of the Share Swap Agreement are set out below.

THE SHARE SWAP AGREEMENT

Date

27 July 2017 (after trading hours)

Parties

The Company

CSPT

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for that (i) the Group (through its subsidiaries) is interested in 83,954,650 CSPT Shares, representing approximately 0.82% of the issued share capital of CSPT immediately prior to the entering into of the Share Swap Agreement; (ii) CSPT and its subsidiaries are interested in 221,830,188 Shares, representing approximately 3.42% of the issued share capital of the Company immediately prior to the entering into of the Share Swap Agreement; (iii) Mr. Yu Qingrui, an executive Director both of the Company and of CSPT, is holding 54,404,425 Shares of the Company and 5,563,610 CSPT Shares; and (iv) certain other directors of CSPT also in aggregate hold 58,241,313 Shares of the Company, CSPT and its associates are Independent Third Parties.

Mr. Yu Qingrui has abstained from voting on the Share Swap Agreement and the transactions contemplated thereunder.

Assets to be acquired

Pursuant to the Share Swap Agreement, the Company shall subscribe for and CSPT shall allot and issue 470,000,000 CSPT Subscription Shares under the CSPT General Mandate, representing approximately 4.58% of the existing issued share capital of CSPT as at the date of this announcement and approximately 4.38% of the issued share capital of CSPT as enlarged by the allotment and issue of the CSPT Subscription Shares pursuant to the Share Swap Agreement, credited as fully paid to the Company (or its nominee) at the CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share for a total consideration of HK\$51,700,000, which shall be settled by the Company by way of the issue and allotment of the FW Subscription Shares under the FW Subscription.

Conditions Precedent

It shall be conditions precedent to Completion that prior thereto:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which neither the Company nor CSPT shall reasonably object) the listing of, and permission to deal in, both the CSPT Subscription Shares and FW Subscription Shares; and
- (ii) any other approval as may be required by applicable laws, rules or regulations for the CSPT Subscription and the FW Subscription.

If the Conditions Precedent have not been fulfilled on or before 5:00 p.m. on 17 August 2017 or such later date as may be agreed between the Company and CSPT, the Share Swap Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

Completion

Subject to the fulfilment of the Conditions Precedent, the completion of the CSPT Subscription and the FW Subscription shall take place simultaneously on the Completion Date, at such place and at such time as the Company and CSPT may agree, and the parties to the Share Swap Agreement shall perform its respective obligations set out in the Share Swap Agreement. No partial Completion shall be permitted.

Upon Completion, the price of the CSPT Subscription payable by the Company to CSPT shall be set off against the price of the FW Subscription payable by CSPT to the Company whereupon the payment obligation for the price of the CSPT Subscription by the Company and the payment obligation for the price of FW Subscription by CSPT shall be deemed to be fully released and discharged.

FW SUBSCRIPTION AND CSPT SUBSCRIPTION

FW Subscription

Pursuant to the Share Swap Agreement, CSPT has agreed to subscribe for and the Company has agreed to allot and issue to CSPT (or its nominee) 470,000,000 FW Subscription Shares at the Subscription Price of HK\$0.110 per FW Subscription Share, which will be settled by CSPT by allotment and issue of the 470,000,000 CSPT Subscription Shares at the CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share to the Company (or its nominee).

The 470,000,000 FW Subscription Shares represent approximately 7.25% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.76% of the enlarged issued share capital of the Company as a result of the FW Subscription on the assumption that there will be no other changes in the share capital of the Company save and except for the FW Subscription.

As at the date of this announcement, CSPT and its subsidiaries hold 221,830,188 Shares in the issued share capital of the Company. Immediately after Completion, CSPT and its subsidiaries will hold an aggregate of 691,830,188 Shares in the enlarged issued share capital of the Company, representing approximately 9.95% of the enlarged issued share capital of the Company as a result of the FW Subscription.

The aggregate nominal value of the 470,000,000 FW Subscription Shares is HK\$470,000. The FW Subscription Shares, when allotted and issued, shall rank *pari passu* in all respect among themselves and with other Shares in issue as at the date of Completion.

CSPT Subscription

Pursuant to the Share Swap Agreement, the Company has agreed to subscribe for and CSPT has agreed to allot and issue to the Company (or its nominee) 470,000,000 CSPT Subscription Shares at the CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share, which will be settled by the Company by allotment and issue of the 470,000,000 FW Subscription Shares at the Subscription Price of HK\$0.110 per FW Subscription Share to CSPT (or its nominee).

The 470,000,000 CSPT Subscription Shares represent approximately 4.58% of the existing issued share capital of CSPT as at the date of this announcement and approximately 4.38% of the enlarged issued share capital of CSPT as a result of the CSPT Subscription on the assumption that there will be no other changes in the share capital of CSPT save and except for the CSPT Subscription.

As at the date of this announcement, the Company and its subsidiaries hold 83,954,650 CSPT Shares in the issued share capital of CSPT. Immediately after Completion, the Company and its subsidiaries will hold an aggregate of 553,954,650 CSPT Shares in the enlarged issued share capital of CSPT, representing approximately 5.16% of the enlarged issued share capital of CSPT as a result of the CSPT Subscription.

The aggregate nominal value of the 470,000,000 CSPT Subscription Shares is HK\$4,700,000. The CSPT Subscription Shares, when allotted and issued, shall rank pari passu in all respect among themselves and with other CSPT Shares in issue as at the date of Completion.

Subscription Price

The Subscription Price of HK\$0.110 per FW Subscription Share represents:

- (a) a premium of approximately 0.92% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 27 July 2017; and
- (b) a premium of approximately 1.85% over the average closing price of approximately HK\$0.108 per Share as quoted on the Stock Exchange for the five consecutive trading days from 20 July 2017 to 26 July 2017 (both dates inclusive).

The Subscription Price was determined after arm's length negotiations between the Company and CSPT by reference to the recent trading performance of the Shares and the market circumstances. The Board considers that the terms and conditions of the FW Subscription and the Share Swap Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

General Mandate

The FW Subscription Shares will be allotted and issued under the General Mandate pursuant to which the Directors may allot and issue up to 1,297,037,599 Shares (representing 20% of the issued share capital of the Company as at the date of the AGM). The Company has announced to conduct a placing of a maximum of 400,000,000 new Shares of the Company representing approximately 30.84% of the General Mandate on 26 July 2017 (the “**Placing**”). For more information of which, please refer to the Company’s announcement dated 26 July 2017. The maximum of 400,000,000 new placing shares and the 470,000,000 FW Subscription Shares to be allotted and issued will utilize approximately 67.08% of the General Mandate.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the FW Subscription Shares to be allotted and issued under the Share Swap Agreement.

An application will be made by CSPT to the Stock Exchange for the listing of and permission to deal in the CSPT Subscription Shares to be allotted and issued under the Share Swap Agreement.

CSPT Subscription Price

The CSPT Subscription Price of HK\$0.110 per CSPT Subscription Share represents:

- (a) a premium of approximately 3.77% over the closing price of HK\$0.106 per CSPT Share as quoted on the Stock Exchange on 27 July 2017; and
- (b) a premium of approximately 5.77% over the average closing price of approximately HK\$0.104 per CSPT Share as quoted on the Stock Exchange for the five consecutive trading days from 20 July 2017 to 26 July 2017 (both dates inclusive).

The CSPT Subscription Price was determined after arm’s length negotiations between the Company and CSPT by reference to the recent trading performance of the CSPT Shares and the market circumstances. The Board considers that the terms and conditions of the CSPT Subscription and the Share Swap Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, on the assumption that there will be no change in share capital of the Company from the date of this announcement until completion of the FW Subscription, the changes of the shareholding structure of the Company as a result of the FW Subscription as follows:

		As at the date of this announcement and immediately before completion of the FW Subscription		Immediately after completion of the FW Subscription	
		<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
CSPT and its subsidiaries	(1)	221,830,188	3.42	691,830,188	9.95
CSPT directors	(2)	58,241,313	0.90	58,241,313	0.84
Mr. Yu Qingrui	(3)	54,404,425	0.84	54,404,425	0.78
Other Directors	(4)	37,925,144	0.58	37,925,144	0.54
Other public Shareholders		<u>6,112,786,928</u>	<u>94.26</u>	<u>6,112,786,928</u>	<u>87.89</u>
Total		<u>6,485,187,998</u>	<u>100.00</u>	<u>6,955,187,998</u>	<u>100.00</u>

Note:

- As at the date of this announcement, CSPT and its subsidiaries hold 221,830,188 Shares.
- Mr. Chen Xiaodong and Ms. Lam Hay Yin who are directors of CSPT in aggregate hold 58,241,313 Shares of the Company.
- Mr. Yu Qingrui, an executive Director of the Company, is also an executive director of CSPT holds 54,404,425 Shares of the Company.
- Mr. Siu Yun Fat, Mr. Cai Linzhan, Mr. Hon Hak Ka and Mr. Tam Tak Wah who are Directors of the Company in aggregate hold 37,925,144 Shares of the Company.

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

The Company has announced to conduct the Placing on 26 July 2017. For more information of which, please refer to the Company's announcement dated 26 July 2017. Save as the Placing, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in investment in listed securities and property in Hong Kong; money lending business in Hong Kong; e-commerce business; and trading and related services.

INFORMATION OF CSPT

CSPT is a company incorporated in Bermuda with limited liability and the issued CSPT Shares are listed on the Main Board of the Stock Exchange (Stock Code: 139). The CSPT Group is principally engaged in the businesses of trading and distribution of electronic and accessory products and other merchandise, financial investments and trading and money lending business.

Set below is the financial information of CSPT:

	For the year ended 31 March 2016	For the year ended 31 March 2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Loss before taxation	1,214,744	156,397
Loss after taxation	1,214,745	156,397
Net asset value	934,456	1,315,579

REASONS FOR THE SHARE SWAP

The Directors have been proactive in seeking appropriate investment opportunities in order to increase the return to the Shareholders. Based on the audited consolidated financial statements of CSPT, it is noted that CSPT had a net asset value of approximately HK\$1,315,579,000 as at 31 March 2017, representing a net asset value of approximately HK\$0.147 per CSPT Share (based on 8,965,128,980 CSPT Shares in issue as at 31 March 2017). The CSPT Subscription Price represents a discount of approximately 25.2% to the net asset value per CSPT Share as at 31 March 2017, which implies the investment potential of the CSPT Shares.

The Directors consider that the value of investments in a company lies in its future prospects and growth potential. As announced by CSPT on 14 July 2017, a wholly owned subsidiary of CSPT as purchaser has recently entered into a conditional sale and purchase agreement to indirectly acquire interests in a property located in Kowloon Tong (the “**Property**”) through acquisition of entire equity interests of a target company. It further comes to the attention of the Board that the Property is adjunct to the property acquired by CSPT and its subsidiaries as announced by CSPT on 9 May 2017.

While the recent property market in Hong Kong is still subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that the Hong Kong property market still has prospect and the local bank interest rate remains at a relatively low level.

CSPT entered into an agreement with the Group on 3 April 2017 for the transfer of shares equivalent to 34% equity interest of Instant Achieve Limited for a total consideration of HK\$7 million. Instant Achieve Limited directly holds the entire issued share capital of Central Wealth Securities Investment Limited, a licensed corporation carrying on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO; and the entire issued share capital of Central Wealth Futures Limited, a licensed corporation carrying on business in type 2 (dealing in futures contracts) and type 5 (advising on futures contracts) regulated activities under the SFO. The transfer was completed on 7 April 2017.

The entering into of the Share Swap Agreement will allow the Company and CSPT to become strategic alliance with a more significant shareholding stake in each other and will allow the Group and CSPT to share its experience and expertise in financial services industry.

As such, the Company considers that there is growth potential in CSPT Shares. The Share Swap Agreement represents an investment opportunity of the Company to invest in CSPT without cash outflow and will enhance the cooperation between the Company and CSPT.

The transaction involves the issuance of the CSPT Subscription Shares by CSPT to the Company (or its nominee) and the issuance of the FW Subscription Shares by the Company to CSPT (or its nominee). The Group intends to hold the CSPT Subscription Shares as a kind of treasury investment and be classified as available for sales investment in its statement of financial position and CSPT will not be regarded as an associate of the Company upon Completion.

As the CSPT Shares are listed on the Main Board of the Stock Exchange, the Group will be able to realise the investment in the CSPT in the open market, which represent an efficient mean for the realisation of the investment in the CSPT Subscription Shares.

As the consideration for the CSPT Subscription Shares will be settled by the FW Subscription Shares, there will be no cash outflow on the part of the Company.

There will be no net proceeds from the FW Subscription as the consideration shall be settled by the issue of the CSPT Subscription Shares.

It is expected that the Share Swap will not have any significant impact on the revenue and profits of the Group. While the total assets and the net assets of the Group will increase as a result of the Share Swap and the existing Shareholders' shareholdings will be diluted as a result of the Share Swap, it is expected that the Share Swap will not have a material adverse impact on the business operations of the Group. The Board is of the view that the future prospects of the Group will not be affected by the Share Swap.

The Board considers that the terms and conditions of the Share Swap Agreement are fair and reasonable and are on normal commercial terms and the Share Swap Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentages exceed 5% but are less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

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 held and convened on 31 May 2017
“associates”	has the meaning ascribed to this term 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 Main Board of the Stock Exchange
“Completion”	completion of the Share Swap

“connected person”	has the meaning ascribed to this term under the Listing Rules
“CSPT”	China Soft Power Technology Holdings Limited, a company incorporated in Bermuda with limited liabilities and the issued CSPT Shares are listed on the Main Board of the Stock Exchange
“CSPT Share(s)”	ordinary share(s) of CSPT of HK\$0.01 each
“CSPT Subscription”	the subscription of the CSPT Subscription Shares by the Company or its nominee pursuant to the terms and conditions of the Share Swap Agreement
“CSPT Subscription Price”	the subscription price of HK\$0.110 per CSPT Subscription Share
“CSPT Subscription Shares”	the 470,000,000 CSPT Shares to be allotted and issued by CSPT to the Company or its nominee pursuant to CSPT Subscription
“Director(s)”	Director(s) of the Company
“FW Subscription”	the subscription of the FW Subscription Shares by CSPT or its nominee pursuant to the terms and conditions of the Share Swap Agreement
“FW Subscription Shares”	the 470,000,000 Shares to be allotted and issued by the Company to CSPT or its nominee pursuant to FW Subscription
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the AGM

“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
“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)
“Share Swap”	together the FW Subscription and the CSPT Subscription
“Share Swap Agreement”	the conditional agreement dated 27 July 2017 and entered into between the Company and CSPT in respect of the Share Swap
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.110 per FW Subscription Share

“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, 27 July 2017

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Siu Yun Fat, Mr. Cai Linzhan, Ms. Cheng So Sheung, 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.