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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:
DISPOSAL OF LISTED SECURITIES**

The Board announces that on 3 March 2020, the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Sale Shares for an aggregate cash consideration of HK\$18,000,000.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 3 March 2020, the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser in relation to the Disposal of the Sale Shares to the Purchaser for an aggregate consideration of HK\$18,000,000.

SALE AND PURCHASE AGREEMENT

Date: 3 March 2020 (after trading hours)

Parties: (1) The Vendor as the vendor

(2) The Purchaser as the purchaser

The Purchaser is a PRC citizen and an individual merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

The Vendor is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company and is principally engaged in investment holdings.

Asset to be disposed:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares comprising 600,000,000 CW Shares, representing approximately 3.76% of issued share capital of Central Wealth as at the date of this announcement.

Consideration:

The total consideration for the Disposal is HK\$18,000,000, which shall be satisfied by the Purchaser in the following manner (or in such other manner as the Vendor and the Purchaser may agree):

- (a) as to HK\$9,000,000 shall be payable by the Purchaser by way of a cheque or cashier order within seven days of the date of the Sale and Purchase Agreement; and
- (b) as to HK\$9,000,000 shall be payable by the Purchaser by way of a cheque or cashier order within one month immediately after the date of Completion.

The price for the Disposal of each CW Share is HK\$0.03 per CW Share, which represents:

- (a) discount of approximately 49.15% to the closing price per CW Share as at the date of the Sale and Purchase Agreement; and
- (b) discount of approximately 40% to the average closing price per CW Share for the five consecutive days including and up to 2 March 2020.

The consideration for the Disposal of the Sale Shares to the Purchaser was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the recent market performance and trading volume of the CW Shares; and (ii) the factors mentioned in the section headed "Reasons for the Disposal and use of proceeds" in this announcement.

Condition

The Disposal is not subject to any condition precedent.

Completion

Completion is expected to take place on the date of the Sale and Purchase Agreement or the date when the Vendor having withdrawn the Sale Shares from its brokerage firm (whichever is later) (or such later date as the parties to the Sale and Purchase Agreement may agree).

After Completion of the Disposal, the Group remains to hold 470,621,316 CW Shares.

INFORMATION ON CENTRAL WEALTH

Central Wealth is a company incorporated in Bermuda with limited liability which together with its subsidiaries is principally engaged in securities and futures dealing business, financial investments, property investments and money lending business. Central Wealth is a company listed on the main board of the Stock Exchange (stock code: 139).

The following information is extracted from the 2018 annual report of Central Wealth for the year ended 31 December 2018 and for the nine months from 1 April 2017 to 31 December 2017 respectively:

	Year ended 31 December 2018 <i>HK\$'000</i>	Nine months from 1 April 2017 to 31 December 2017 <i>HK\$'000</i>
Revenue	174,454	228,055
Profit (Loss) before tax	(58,875)	373,375
Profit (Loss) attributable to shareholders	(67,061)	368,855

Based on Central Wealth's 2018 annual report, the Central Wealth Group has an audited net asset value of approximately HK\$1,848.8 million as at 31 December 2018 and HK\$2,723.9 million as at 31 December 2017 respectively. Based on Central Wealth's 2019 interim report, the Central Wealth Group has an unaudited net asset value of approximately HK\$1,436 million as at 30 June 2019.

REASONS FOR THE DISPOSAL 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.

The Group acquired the Sale Shares for investment purpose. Having regard to the current market conditions, the Board decided to have an investment portfolio with less securities investments and to solidify the financial and cash position of the Group.

As a result of the Disposal, the Group is expected to recognise (i) a loss of approximately HK\$10,850,000 which will affect profit and loss and (ii) a loss of approximately HK\$1,750,000 which will affect the other comprehensive income of the Group for the year ending 31 December 2020 and is calculated on the basis of the difference between the book value of the Sale Shares and the consideration for the Disposal (excluding stamp duty and related expenses). There would also be a transfer of approximately HK\$7,008,000 from the fair value reserve to the retained earnings. The net proceeds of the Disposal of approximately HK\$18 million shall be utilised by the Group for repayment of margin loans and general working capital. For the avoidance of doubt, the actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

In light of the uncertainty in the future global economy with the recent COVID-19 outbreak, together having considered the funding needs of the Group, the Company considers that the Disposal represents an opportunity to realise its investments and to allow the Group to reallocate the resources. The Company has considered the alternative to dispose of the Sale Shares on market but having considered the number of Sale Shares to be disposed and the relatively thin trading volume of the CW Shares, the Company considers that the Disposal represents a more expedient way for the Group to realise its investment.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are reasonable and fair and in the interests of the Shareholders as a whole.

Mr. Yu Qingrui, an executive Director and also an executive director of Central Wealth, has abstained from voting at the relevant Board resolutions approving the Disposal due to his potential conflict of interests.

LISTING RULES IMPLICATION

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Central Wealth”	Central Wealth Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 139)
“Central Wealth Group”	Central Wealth and its subsidiaries
“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 Disposal in accordance with the Sale and Purchase Agreement
“CW Share(s)”	ordinary shares of HK\$0.01 each in the share capital of Central Wealth
“Directors”	directors of the Company
“Disposal”	the disposal by the Vendor of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries

“Hong Kong”	the 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
“Purchaser”	黃志文 (Huang Zhiwen*), purchaser to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3 March 2020 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares
“Sale Shares”	600,000,000 CW Shares
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Golden Horse Hong Kong Investment Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company

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

“%” per cent.

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

Hong Kong, 3 March 2020

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) five independent non-executive Directors, namely Mr. Chen Pei, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah, Mr. Wang Ning and Mr. Zheng Zongjia.