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FREEMAN FINTECH CORPORATION LIMITED

民眾金融科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

PROPOSED SHARE CONSOLIDATION, PROPOSED CHANGE IN BOARD LOT SIZE AND REPURCHASE OF SHARE

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward to the Shareholders a proposal of Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.01 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares of the Company on the Stock Exchange from 20,000 Shares to 6,000 Consolidated Shares after the Share Consolidation becoming effective.

REPURCHASE OF SHARE

In order to facilitate the Share Consolidation, the Company will use its best efforts to repurchase on the Stock Exchange and cancel one Share prior to the effective date of the Share Consolidation. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

GENERAL

A circular containing, among other things, further details in relation to the Share Consolidation and the change in board lot size together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before Friday, 19 October 2018.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.01 each in the share capital of the Company.

As at the date of this announcement, the authorised share capital of the Company is HK\$5,000,000,000 divided into 5,000,000,000,000 Shares of HK\$0.001 each, of which 15,681,761,881 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$5,000,000,000 divided into 500,000,000,000 Consolidated Shares of HK\$0.01 each, of which 1,568,176,188 Consolidated Shares of HK\$0.01 each will be in issue.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of the ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the Listing Committee granting approval to the listing of and the permission to deal in the Consolidated Shares; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise that may be required in respect of the Share Consolidation, if any.

Effect of the Share Consolidation

Upon the Share Consolidation becoming effective, all Consolidated Shares will rank pari passu in all respects with each other. Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company and the interests and rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Listing Application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares of the Company on the Stock Exchange from 20,000 Shares to 6,000 Consolidated Shares after the Share Consolidation becoming effective.

Based on the closing price of HK\$0.066 per Share (equivalent to the theoretical closing price of HK\$0.660 per Consolidated Share) as quoted on the Stock Exchange at the date of this announcement, the value of each existing board lot of 20,000 Shares is HK\$1,320 and the theoretical value for each new board lot of 6,000 Consolidated Shares, assuming the Share Consolidation has become effective, would be HK\$3,960.

The change in board lot size will not, by itself, affect any of the rights of the Shareholders.

Reasons for the Share Consolidation and Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In view of the recent trading price of the Shares, the Board on its initiative proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules.

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the number of Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Accordingly, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading in the Shares of the Company on the Stock Exchange from 20,000 Shares to 6,000 Consolidated Shares. The Board considers that the change in board lot size would improve the liquidity of the Shares.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the change in board lot size.

Fractional Consolidated Shares and Odd Lots Trading Arrangements

Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide matching services to those Shareholders for the sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Details of the odd lots trading arrangement will be set out in the circular in relation to, among other things, the Share Consolidation and the change in board lot size to be despatched to the Shareholders on or before Friday, 19 October 2018.

Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Free Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, Shareholders may submit existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, between 9:00 a.m. and 4:30 p.m. on any Business Day during the period from Monday, 12 November 2018 to Tuesday, 18 December 2018 (both days inclusive), to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the branch share registrar of the Company for exchange. Thereafter, the share certificates for the existing Shares will cease to be valid for delivery, trading and settlement purpose but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per each existing share certificate cancelled or each new share certificate issued (whichever is higher) by the Shareholders in question. The existing share certificates are in blue colour and the new share certificates will be in green colour.

Adjustments in relation to Other Securities of the Company

Share Options

As at the date of this announcement, there are outstanding share options entitling the holders thereof to subscribe for up to an aggregate of 1,955,090,954 Shares. The proposed Share Consolidation may cause adjustments to the exercise prices of the share options and the number of Consolidated Shares to be issued upon the exercise of the outstanding share options pursuant to the terms and conditions of the share option scheme adopted by the Company on 31 August 2012 and the Listing Rules. Assuming there is no other adjustment event under the relevant share option scheme other than the proposed Share Consolidation becoming effective, the outstanding share options will entitle holders thereof to subscribe for up to 195,509,095 Consolidated Shares.

Convertible Instruments

As at the date of this announcement, there are outstanding convertible bonds issued by the Company with principal amounts of HK\$429,197,000 and US\$99,000,000 respectively, which are entitled to convert into 2,826,816,471 Shares in aggregate. Further, as set out in the Company's announcements dated 4 September 2018 and 28 September 2018, the Company has conditionally agreed to (i) issue convertible notes in an aggregate principal amount of HK\$185,847,419 which are entitled to convert into 2,111,902,494 Shares and (ii) amend the conversion price of the convertible bonds in the outstanding principal amount of HK\$429,197,000 from HK\$0.425 per conversion share to HK\$0.065 per conversion share. The proposed Share Consolidation will cause adjustment to the conversion prices of the convertible instruments and the number of Consolidated Shares to be issued pursuant to the terms and conditions of the relevant convertible instruments.

Save as disclosed above, the Company has no other outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into, any Shares or Consolidated Shares as at the date of this announcement.

The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Expected Timetable for the Share Consolidation

The expected timetable relating to the Share Consolidation, the change in board lot size and the associated trading arrangement is as follows:

Despatch of circular with notice of the EGM On or before Friday,
19 October 2018

Latest date and time for lodging transfer documents
in order to qualify for attending and
voting at the EGM 4:30 p.m., Monday,
5 November 2018

Closure of register of members for the entitlement
to attend and vote at the EGM from Tuesday, 6 November 2018
to Friday, 9 November 2018 (both days inclusive)

Latest date and time for
lodging forms of proxy for the EGM
(not less than 48 hours prior to the time of the EGM) 4:00 p.m., Wednesday,
7 November 2018

Date and time of the EGM 4:00 p.m., Friday, 9 November 2018

Announcement of poll results of the EGM Friday, 9 November 2018

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, which are included in this announcement.

Effective date of the Share Consolidation Monday, 12 November 2018

First day for free exchange of
existing share certificates for new share certificates
for the Consolidated Shares commences Monday, 12 November 2018

Dealings in the Consolidated Shares commence 9:00 a.m., Monday,
12 November 2018

Original counter for trading in the existing Shares in
board lot of 20,000 Shares temporarily closes 9:00 a.m., Monday,
12 November 2018

Temporary counter for trading in the Consolidated Shares
in board lot of 2,000 Consolidated Shares (in the form
of existing share certificates) opens 9:00 a.m., Monday,
12 November 2018

Original counter for trading in the Consolidated Shares
(in board lot of 6,000 Consolidated Shares in the form
of new share certificates) re-opens 9:00 a.m., Monday,
26 November 2018

Parallel trading in the Consolidated Shares
(in form of new share certificates and
existing share certificates) commences 9:00 a.m., Monday,
26 November 2018

Designated broker starts to stand
in the market to provide matching services for
odd lots of the Consolidated Shares 9:00 a.m., Monday, 26 November 2018

Temporary counter for trading in the Consolidated Shares
in board lot of 2,000 Consolidated Shares
(in the form of existing share certificates) closes..... 4:00 p.m., Friday,
14 December 2018

Parallel trading in the Consolidated Shares
(in form of new share certificates and
existing share certificates) ends..... 4:00 p.m., Friday, 14 December 2018

Designated broker ceases to stand in
the market to provide matching services for
odd lots of the Consolidated Shares 4:00 p.m., Friday, 14 December 2018

Last day for free exchange of existing share certificates
for new share certificates for
the Consolidated Shares..... 4:30 p.m., Tuesday, 18 December 2018

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to changes. Further announcement(s) will be made as and when appropriate.

REPURCHASE OF SHARE

As at the date of this announcement, the authorised share capital of the Company is HK\$5,000,000,000 divided into 5,000,000,000,000 Shares of HK\$0.001 each, of which 15,681,761,881 Shares have been issued and are fully paid or credited as fully paid. In order to facilitate the Share Consolidation, the Company will use its best efforts to repurchase on the Stock Exchange and cancel one Share prior to the effective date of the Share Consolidation. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

Assuming one Share will be repurchased and cancelled by the Company and no further Shares will be issued between the date of this announcement and the effective date of the Share Consolidation, immediately upon the Share Consolidation becoming effective, based on 15,681,761,880 Shares then in issue, the issued share capital of the Company will be reduced from HK\$15,681,761.881 to HK\$15,681,761.88 divided into 1,568,176,188 Consolidated Shares of HK\$0.01 each.

GENERAL

A circular containing, among other things, further details in relation to the Share Consolidation and the change in board lot size together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before Friday, 19 October 2018.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business during their normal business hours
“Company”	Freeman FinTech Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 279)
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Share Consolidation
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every ten (10) Shares into one (1) Consolidated Share
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company prior to the Share Consolidation
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
Freeman FinTech Corporation Limited
Ye Ye
Chairman

Hong Kong, 9 October 2018

As at the date of this announcement, the Board comprises the following Directors:–

Executive Directors:

Mr. Ye Ye (*Chairman*)
Mr. Yang Haoying (*Chief Executive Officer*)
Mr. Pun Hong Hai (*Chief Operating Officer*)
Ms. Chow Mun Yee
Mr. Zhao Tong

Independent Non-executive Directors:

Mr. An Dong
Mr. Cheung Wing Ping
Mr. Fung Tze Wa
Mr. Wu Keli