

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION INVESTMENT IN THE TARGET COMPANY

The Board is pleased to announce that on 26 October 2018, Jinshang, a non-wholly owned subsidiary of the Company, entered into the Agreement with Mercury and Zhongtou Jinchuang, pursuant to which Jinshang agreed to contribute capital of RMB150 million to the Target Company in the form of cash. The registered capital of the Target Company shall be RMB1 billion, which will be contributed as to RMB600 million, RMB250 million and RMB150 million in the form of cash by Mercury, Zhongtou Jinchuang and Jinshang, respectively.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the investment in the Target Company exceed 5% but are less than 25%, the investment in the Target Company constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 26 October 2018, Jinshang, a non-wholly owned subsidiary of the Company, entered into the Agreement with Mercury and Zhongtou Jinchuang, pursuant to which Jinshang agreed to contribute capital of RMB150 million to the Target Company in the form of cash. The registered capital of the Target Company shall be RMB1 billion, which will be contributed as to RMB600 million, RMB250 million and RMB150 million in the form of cash by Mercury, Zhongtou Jinchuang and Jinshang, respectively.

THE AGREEMENT

The principal terms of the Agreement are summarised below:

Date: 26 October 2018

Parties and
shareholding ratio
in the Target Company:

- (1) Mercury (60%)
- (2) Zhongtou Jinchuang (25%)
- (3) Jinshang (15%)

The total registered capital: RMB1 billion

Capital contribution: RMB1 billion to be contributed as follows:

- (1) Mercury shall contribute RMB600 million in the form of cash;
- (2) Zhongtou Jinchuang shall contribute RMB250 million in the form of cash; and
- (3) Jinshang shall contribute RMB150 million in the form of cash.

The amount of capital contributions was determined after arm's length negotiation between the parties to the Agreement with reference to the proposed capital requirements of the Target Company and the parties' interest in the Target Company. As stated in the articles of association of the Target Company, the parties shall pay up their respective amount of capital contribution within 30 years from the date of completion of relevant registration procedures. The capital contribution of Jinshang in the Target Company will be funded by internal resources of the Group.

INFORMATION ON THE GROUP AND THE PARTIES TO THE AGREEMENT

The Group is principally engaged in the financial services sector, including the provision of securities and futures brokerage services, the provision of placing, underwriting and margin financing services, the provision of insurance brokerage and financial planning services, the provision of corporate finance advisory services, the trading of securities and futures, the provision of finance, the provision of factoring, financial guarantee and finance leasing services, as well as investment holding.

Jinshang is a company incorporated in the PRC with limited liability principally engaged in the provision of finance leasing services in the PRC and an indirect non-wholly owned subsidiary of the Company.

Mercury is a company incorporated in the PRC with limited liability and is principally engaged in finance leasing business, leasing business, acquisition of assets for leasing both in the PRC and overseas, repair and disposal of leased assets and related factoring business.

Zhongtou Jinchuang is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Mercury and Zhongtou Jinchuang and their ultimate beneficial owner(s) is an Independent Third Party.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC in 2017 and has still been in preliminary stage. It is intended to be engaged in finance leasing business, leasing business, acquisition of assets for leasing both in the PRC and overseas, repair and disposal of leased assets.

Based on the unaudited management accounts of the Target Company for the period from 11 September 2017 (date of incorporation) to 31 December 2017, the Target Company recorded net loss before taxation of RMB66 (equivalent to approximately HK\$75) and net loss after taxation of RMB66 (equivalent to approximately HK\$75) for the period from 11 September 2017 (date of incorporation) to 31 December 2017 and net assets of approximately RMB275 million (equivalent to approximately HK\$310 million) as at 31 December 2017.

REASONS FOR AND BENEFITS OF THE INVESTMENT IN THE TARGET COMPANY

The Board is of the view that the investment in the Target Company will complement to the existing finance leasing and factoring business in the PRC and will enhance the overall competitiveness of the Group. Based on a preliminary assessment by the Directors, given the Group is entitled to appoint one of the three directors of the Target Company, the investment in the Target Company will be classified and accounted for as an investment in an associate of the Group. The Board considers that the terms of the Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the investment in the Target Company exceed 5% but are less than 25%, the investment in the Target Company constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 26 October 2018 entered into between Jinshang, Mercury and Zhongtou Jinchuang in relation to the investment in the Target Company
“Board”	the board of Directors
“Company”	Freeman FinTech Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 279)
“connected person(s)”	have the meaning ascribed to in the Listing Rules

“Directors”	the directors of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party (parties) who is (are) not connected person(s) (as defined in the Listing Rules) of the Company and is (are) independent of and not connected with the connected persons of the Company
“Jinshang”	Jinshang International Financial Leasing Co., Ltd.* (晉商國際融資租賃有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mercury”	Mercury International Financial Leasing (Tianjin) Co., Ltd.* (辰星國際融資租賃(天津)有限公司), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China
“Share(s)”	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”	Huiyue Financial Leasing (Ningbo) Co., Ltd.* (輝月融資租賃(寧波)有限公司), a company incorporated in the PRC with limited liability

* for identification purpose only

“Zhongtou Jinchuang”	Zhongtou Jinchuang (China) Financial Holding Group Co., Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 26 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