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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that based on the financial information currently available, the Group expected to record a significant net loss of approximately HK\$1,765 million for the six months ended 30 September 2018 as compared to the net profit of approximately HK\$239 million recorded in the corresponding period in 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Freeman FinTech Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

The Board of Directors of the Company (the “Board”) wishes to inform its shareholders and potential investors that based on the financial information currently available, the Group expected to record a significant net loss of approximately HK\$1,765 million for the six months ended 30 September 2018 as compared to the net profit of approximately HK\$239 million recorded in the corresponding period in 2017. The net loss for the six months ended 30 September 2018 is mainly attributable to (i) net realised loss and net unrealised loss of investments at fair value through profit or loss of approximately HK\$283 million (2017: gain of HK\$120 million) and approximately HK\$22 million (2017: loss of HK\$11 million) respectively; (ii) provision for impairment loss of loans receivable of approximately HK\$1,197 million (2017: Nil) as a result of extremely challenging market conditions that affects the repayments from the borrowers; (iii) provision for impairment loss of accounts receivable of approximately HK\$40 million (2017: Nil); and (iv) an one-off equity-settled share option expense of approximately HK\$74 million (2017: Nil).

The information contained in this profit warning announcement is only based on the Company’s preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2018 subject to finalisation and necessary adjustments, which have not been confirmed, audited nor reviewed by the Company’s auditor. The Company would make further announcement(s) if necessary. Shareholders of the Company and potential investors are advised to read carefully the results announcement of the Company for the six months ended 30 September 2018, which is expected to be published in November 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 2 November 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