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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)

UPDATE ANNOUNCEMENT

References are made to the announcements of Freeman FinTech Corporation Limited (the “**Company**”) dated 14 May 2019 and 16 May 2019 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcements.

The Board wishes to provide further information on the Petition, the potential effect of the Petition on the transfer of the Company’s shares and further action the Company has taken or will take in respect of the Petition.

FURTHER INFORMATION ON THE PETITION

As set out in the Announcements, the Petition was filed against the Company for failure to settle the aggregate sum of US\$111,629,994, being the alleged outstanding amount under the Company’s notes and convertible notes issued to the Petitioner.

The notes refer to the secured guaranteed note of principal amount of US\$30,000,000 due 2019 issued by the Company to the Petitioner on 29 March 2018, the secured guaranteed note of principal amount of US\$46,173,408 due 2020 issued by the Company to the Petitioner on 29 March 2018, and the convertible notes in the principal amount of HK\$185,847,419 issued by the Company to the Petitioner (collectively, the “**Notes**”).

The Petitioner alleged that certain Events of Default (as defined in the Notes) have occurred under the Notes. The Petitioner served a statutory demand on the Company on 20 March 2019 and subsequently filed a petition against the Company on 10 May 2019. The Company then received the Summons for an application for the appointment of joint and several provisional liquidators of the Company from the Petitioner on 15 May 2019.

In response to the Petition, the Company has engaged legal adviser in respect of the Petition, the Summons and the matters stated therein. The Company has been seeking legal advice to assess the case of the Company and discuss necessary actions.

As the matter now stands, the Company will defend against the application for the appointment of provisional liquidators to be heard on 3 June 2019 and a winding up order being made against the Company under the Petition at the hearing before the High Court on 10 July 2019.

POTENTIAL IMPACT OF THE PETITION

The Company wishes to provide further information and draw the attention of its shareholders to certain potential legal effects of the Petition as follows:

According to Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), any transfer of shares since the date of presentation of the winding up petition may be void unless the winding-up petition has been struck-out, dismissed or permanently stayed, or the company has obtained a validation order.

As such, the Board wishes to remind its shareholders and potential investors that after the Petition has been presented, the transfer of the shares of the Company made thereafter would be void without a validation order from the court.

Pursuant to the circular dated 28 December 2016 issued by the Hong Kong Securities Clearing Company Limited (“**HKSCC**”), when the winding-up petition is carried out and in view of these restrictions and the uncertainties that may arise from the transfer of shares of the Company, for any participants who conduct shares transfer through HKSCC (the “**Participant(s)**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System (the “**CCASS**”) to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into the CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the winding-up petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court(s).

In view of the potential legal effects of the Petition as mentioned in this announcement, the Company will instruct its Hong Kong legal adviser to apply to the Court of Hong Kong for a validation order in respect of, among other things, the transfer of the Company’s shares.

Further announcement(s) will be made by the Company to keep its shareholders and investors informed of any significant development in relation to the Petition as and when appropriate.

Transfer of shares of the Company may be restricted as the deposits of the Company's shares into CCASS may be suspended due to the Petition. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

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

Hong Kong, 20 May 2019

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

Executive Directors:

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

Independent Non-executive Directors:

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