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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)

ADDITIONAL INFORMATION IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2018

Reference is made to the annual report of Freeman FinTech Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended 31 March 2018 (the “Annual Report”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report.

Investments at fair value through profit or loss

In addition to the information in relation to the investments in listed securities of All Access as set out under the section headed “Business Review” of the Annual Report, the Board would like to provide additional information regarding the size of such investment in All Access as compared to the total assets of the Group as at 31 March 2018.

As at 31 March 2018, the Group mainly held listed securities of All Access with a carrying value of HK\$407.3 million, representing 99.7% of the investments at fair value through profit or loss of HK\$408.5 million held by the Group and 4.7% of the total assets of HK\$8,591.1 million of the Group. The original investment cost of the listed securities of All Access amounted to HK\$450.7 million.

Available-for-sale investments

In addition to the information in relation to the available-for-sale investments as set out under the section headed “Business Review” of the Annual Report, the Board would like to provide additional information regarding the investment in wealth management products from financial institutions in the PRC held by the Group as at 31 March 2018 and the size of each of the investments in the Securities Company and PSE held by the Group as compared to the total assets of the Group as at 31 March 2018.

As at 31 March 2018, the Group held wealth management products from financial institutions in the PRC which were not yet due nor early redeemed as at the end of the reporting period with a carrying amount of HK\$1,833.2 million, representing 21.3% of the total assets of the Group. The original investment costs of wealth management products amounted to RMB1,370.0 million (equivalent to HK\$1,833.2 million). This investment represented unlisted and non-marketable asset management products issued by banks and financial institutions in the PRC with original maturities of one year to five years that could be redeemed or were transferrable at any time, and was classified as an available-for-sale investment under current assets. It was managed by banks and financial institutions and invested in fixed-income financial products that were permitted by the China Securities Regulatory Commission, such as government bonds, corporate bonds and central bank notes. The investment portfolios of these products were not disclosed to the Group by the banks or financial institutions. If the banks and financial institutions were required to redeem these investments, they would redeem at a price equal to the outstanding principal plus accrued and unpaid interest. Interest from such investment varied from 5% to 9% annually, with deduction of management fee, and was receivable quarterly, annually or upon maturity. During the year ended 31 March 2018, the Group recorded investment income from such investment of HK\$79.5 million.

As at 31 March 2018, the Group held an unlisted equity investment with 15% equity interest in the Securities Company of HK\$631.7 million (with an original investment cost of RMB525 million, equivalent to HK\$631.7 million), representing 7.4% of the total assets of the Group, and listed securities of PSE with a carrying amount of HK\$35.8 million (with an original investment cost at PHP252 million, equivalent to HK\$38.6 million), representing 0.4% of the total assets of the Group.

The global stock markets are expected to remain challenging and uncertain, especially in Hong Kong and the PRC. The proprietary team of the Group always take attentive approach on making diversified investments with various nature, return rate and risk exposure and will continue to closely monitor the investment portfolios of the Group, including available-for-sale investments (represented by investments in the Securities Company, listed securities of PSE and wealth management products as at 31 March 2018) and investments at fair value through profit or loss (mainly represented by investments in listed securities of All Access as at 31 March 2018) for potential dividend returns, fixed interest income returns and capital appreciations to enhance values to the Shareholders.

The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining content of the Annual Report remain unchanged.

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

Hong Kong, 12 July 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