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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)

ADJUSTMENTS IN RELATION TO THE OUTSTANDING CONVERTIBLE INSTRUMENTS

Reference is made to the announcement of Freeman FinTech Corporation Limited (the “**Company**”) dated 5 August 2019 in relation to, among other things, the Subscription (the “**Announcement**”). Unless otherwise stated, capitalised terms used in this announcement have the same meanings as defined in the Announcement.

ADJUSTMENTS IN RELATION TO THE OUTSTANDING CONVERTIBLE INSTRUMENTS

As disclosed in the Announcement, Completion took place on 5 August 2019. Upon Completion, an aggregate of 300,000,000 Shares were allotted and issued to the Subscriber at the Subscription Price of HK\$0.145 per Share.

As at the date of this announcement, the Company has outstanding (i) convertible bonds issued by the Company in the principal amounts of HK\$429,197,000 and US\$99,000,000 respectively; and (ii) convertible notes issued by the Company in the principal amount of HK\$185,847,419 (collectively, the Convertible Instruments (“**CI**”)).

Upon Completion and in accordance with the terms and conditions of the CI, the conversion prices of the outstanding CI and the number of conversion shares to be allotted and issued upon exercise of all the conversion rights attaching to the outstanding CI shall be adjusted in the following manner:

Principal amount of the outstanding CI as at the date of this announcement	Immediately before the allotment and issue of the Subscription Shares		Immediately following the allotment and issue of the Subscription Shares	
	Conversion price per conversion share (HK\$)	Number of conversion shares to be allotted and issued upon full exercise of the conversion rights attached to the relevant CI	Adjusted conversion price per conversion share (HK\$)	Number of conversion shares to be allotted and issued upon full exercise of the conversion rights attached to the relevant CI
HK\$185,847,419	0.88	211,190,249	0.145 <i>(Note 4)</i>	1,281,706,337 (of which 211,190,249 Shares can be allotted and issued pursuant to the 2017 General Mandate and 1,070,516,088 Shares will have to be settled by cash) <i>(Note 1)</i>
HK\$429,197,000	0.65	660,303,076	0.590 <i>(Note 4)</i>	727,452,542 <i>(Note 2)</i>
US\$99,000,000	0.65	1,188,000,000 <i>(Note 3)</i>	0.600	1,287,000,000 <i>(Notes 2 and 3)</i>

Notes:

1. In the case of the conversion of the convertible note issued by the Company in the principal amount of HK\$185,847,419, the conversion shares will be allotted and issued pursuant to the general mandate approved by the Shareholders at the annual general meeting of the Company held on 5 September 2017 (the “**2017 General Mandate**”). The Company is entitled to allot and issue a maximum of 211,190,249 Shares pursuant to the 2017 General Mandate. Therefore, the 2017 General Mandate is only sufficient for the allotment and issue of the conversion shares at the existing conversion price of HK\$0.88 per Share. Pursuant to the terms of such convertible note, if the Company is served with a conversion notice but the number of conversion shares to be allotted and issued exceeds such number of unissued Shares for which the Board has been authorised under the 2017 General Mandate, the Company (as the issuer of this convertible note) shall be obliged to firstly, allot and issue the maximum number of conversion shares that it is allowed to allot and issue under the 2017 General Mandate (i.e. 211,190,249 Shares) and, thereafter, redeem such remaining balance of the principal of the convertible note purported to be converted under the relevant conversion notice in cash.
2. In the case of conversion of the convertible bonds issued by the Company in the principal amounts of HK\$429,197,000 and US\$99,000,000 respectively, the conversion shares will be allotted and issued pursuant to the specific mandate obtained from the Shareholders at the extraordinary general meeting of the Company held on 13 December 2018.
3. Based on the fixed exchange rate of US\$1:HK\$7.8.
4. Pursuant to the terms of the convertible note in the principal amount of HK\$185,847,419 and the terms of the convertible bonds in the principal amount of HK\$429,197,000, if one and the same event occurs which results in an adjustment of the conversion price under more than one adjustment mechanisms at the same time, the holder of the relevant CI shall have the sole discretion to elect which one of the conversion mechanism shall be utilised. As at the date of this announcement, no election has been made by the holder of the relevant CI. The adjusted conversion price set out in the table above represents the lower of the adjusted conversion prices computed under the applicable adjustment mechanisms.

The above adjustments have been computed in accordance with the terms of the relevant CI and have been certified by the auditor of the Company. Apart from the above adjustments, all the other terms of the CI remain unchanged.

As at the date of this announcement, the Company has received demands from each of the holders of the CI to repay the outstanding debts under the relevant CI.

The Company is in the process of discussing with each of the holders of the CI with a view to reaching an amicable settlement. The Company will keep its Shareholders informed of any significant developments and other matters by way of further announcement(s) 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, 12 August 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