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FREEMAN FINTECH CORPORATION LIMITED

(Provisional Liquidators Appointed)

民眾金融科技控股有限公司

(已委任臨時清盤人)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Freeman FinTech Corporation Limited (Provisional Liquidators Appointed) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 17 February 2020, 28 February 2020, 19 March 2020, 6 April 2020, 27 May 2020, 29 June 2020, 2 July 2020, 7 August 2020, 13 August 2020, 27 August 2020, 6 October 2020, 17 November 2020, and 23 November 2020 (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UPDATES

Business Operations

As at the date of this announcement, the Group continues to carry out, amongst others, (i) provision of securities and futures brokerage services; (ii) provision of placing, underwriting and margin financing services; and (iii) provision of insurance brokerage and financial planning services.

As disclosed in the Company's announcements dated 27 August 2020 and 17 November 2020, two of the key operating subsidiaries of the Group, namely Freeman Securities Limited (“**FSL**”) and Freeman Commodities Limited (“**FCL**”) are facing practical difficulties and challenges in maintaining a sufficient level of operations, primarily due to various restrictions imposed by and/ or agreed with the Stock Exchange and/ or the SFC on their business operations, which include, among others, (i) prohibiting FSL and FCL from on-boarding new clients; and (ii) restricting FCL from transacting on behalf of its clients trades over a certain level of volume by the Stock Exchange, etc.

Since then, the Provisional Liquidators together with the management of FSL and FCL have been actively liaising with the Stock Exchange and/ or the SFC in regard to the requirements on how to uplift and/or relax the aforesaid restrictions (whether partially or fully). As at the date of this announcement, certain restrictions have been partially relaxed by the Stock Exchange.

In order to facilitate the uplifting and/ or relaxation of the restrictions imposed by and/ or agreed with the Stock Exchange and/ or the SFC on FSL and FCL, the Provisional Liquidators and the management of FSL and FCL will maintain close communication with the Stock Exchange and the SFC and keep them apprised of the latest development of the Company's restructuring (including FSL and FCL).

Resumption Guidance

As disclosed in the Company's announcement dated 27 August 2020, the Stock Exchange has set out certain Resumption Guidance for the Company, including, among others, publishing all outstanding financial results and addressing any audit modification(s). The Company's auditors have commenced audit on the consolidated financial statements of the Group for the year ended 31 March 2020 and target to publish the 2019/2020 Annual Results and despatch the corresponding Annual Report in or around December 2020.

Proposed Restructuring

For the purpose of satisfying the Resumption Guidance, the Company has achieved the following so far:-

- (i) On 13 August 2020, the Company, the Provisional Liquidators and the Investor entered into the Term Sheet, setting out the key commercial terms of the proposed Restructuring of the Company.
- (ii) On 2 September 2020, the Provisional Liquidators obtained the sanction from the High Court for entering into, among others, the Term Sheet and all requisite agreements arising therefrom in order to implement the proposed Restructuring.
- (iii) On 10 September 2020, the Company, the Provisional Liquidators and the Investor entered into the Restructuring Deed, the First Loan Agreement and the Second Loan Agreement, pursuant to which the Company, the Provisional Liquidators and the Investor agreed on the principal terms of the Restructuring which shall include, among others, (a) the provision of the First Loan and the Second Loan by the Investor; (b) the Subscription; (c) the Share Premium Cancellation; (d) the Resumption; (e) the Acquisition (if the Resumption is not approved by the Stock Exchange); and (f) the Schemes.
- (iv) Pursuant to the First Loan Agreement, the Investor has paid HK\$161,174,982, being an amount equivalent to the LC Agreed Consideration, to the Designated Account for the purpose of repayment to the LC Secured Lender upon all relevant conditions set out therein being satisfied.

- (v) On 21 October 2020, the Investor has obtained the approval to become a substantial shareholder of the Licensed Corporations from the SFC.
- (vi) For the purpose of repayment to the SSCL Secured Creditor, on 10 November 2020, FSL, the Provisional Liquidators, the SSCL Purchaser and the SSCL Secured Creditor entered into the SSCL Disposal Term Sheet, pursuant to which FSL conditionally agreed to sell, and the SSCL Purchaser conditionally agreed to acquire, the SSCL Interest at the consideration of RMB600,000,000. The SSCL Purchaser has paid RMB 90 million to the Provisional Liquidators as the SSCL Disposal Initial Deposit.
- (vii) With respect to the ListCo Schemes:-
- Upon application made by the Provisional Liquidators, on 22 October 2020, the High Court issued a letter of request addressed to the Grand Court for (i) orders recognizing the PL Appointment Order and the appointment of the Provisional Liquidators by the High Court for the purpose of the Provisional Liquidators presenting and prosecuting a petition to the Grand Court to sanction a creditors' scheme of arrangement pursuant to section 86 of the Companies Law (2020 Revision) and (ii) related relief;
 - Upon application made by the Provisional Liquidators, on 4 November 2020, the Grand Court issued an order, which, among other things, recognized the PL Appointment Order and the Provisional Liquidators presenting and prosecuting a petition in the Grand Court in respect of the Scheme in furtherance of the proposed rescue and restructuring of the Company and its debts (the "**Recognition Order**"); and
 - Upon obtaining the Recognition Order, the Provisional Liquidators have requested the High Court and Grand Court respectively to reserve hearing dates for the purpose of obtaining sanction from the respective courts to convene the scheme creditors' meeting. The Grand Court and the High Court have set down the hearing dates at 21 December 2020 and 23 December 2020, respectively.

The Company is in the process of preparing a circular containing, among others, details of (a) the Restructuring Deed; (b) the Specific Mandate; (c) the Whitewash Waiver; (d) the Special Deals; (e) the letter from the independent financial adviser to the Independent Shareholders; and (f) a notice of the EGM, to be despatched to the Shareholders. Further announcement(s) will be made by the Company in this regard as and when appropriate.

Update on Winding-up Petition

As disclosed in the Company's announcement dated 6 October 2020, the High Court further adjourned the hearing of the Petition to 14 December 2020 at the adjourned hearing on 5 October 2020.

In view of the latest development of the restructuring of the Company, on 26 November 2020, the Provisional Liquidators and the Petitioner jointly applied to the High Court requesting to vacate the next adjourned hearing of the Petition to be held on 14 December 2020 and to

adjourn it for 4 months to 19 April 2021. As at the date of this announcement, the Company is still awaiting reply from the High Court.

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

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1:12 p.m. on 28 February 2020 and will remain suspended pending fulfilment of the Resumption Guidance and any supplement or modification thereto.

For and on behalf of

Freeman FinTech Corporation Limited
(Provisional Liquidators Appointed)

Lai Kar Yan (Derek)

Ho Kwok Leung Glen

*Joint and Several Provisional Liquidators
acting as agents without personal liability*

Hong Kong, 27 November 2020

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

Executive Director:

Mr. Choi Wai Hong, Clifford

Mr. Yau Pak Yue

Independent Non-executive Directors:

Mr. An Dong

Mr. Fung Tze Wa

Mr. Wu Keli