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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, 23 November 2020, 27 November 2020, 30 November 2020, 1 December 2020, 30 December 2020, 6 January 2021, 7 January 2021, 22 January 2021, 5 February 2021, and 10 February 2021 (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 principally engage in the provision of financial services in Hong Kong, including, amongst others:-

- (i) securities and futures brokerage services;
- (ii) margin financing services;
- (iii) placing and underwriting services;
- (iv) insurance brokerage and financial planning services; and
- (v) asset management and advisory services.

The Group has been providing quality financial services for over ten years in Hong Kong, during which time it has established itself as a renowned, reliable and quality financial service provider in Hong Kong. The Group, via the Licensed Corporations, is licensed under the SFO to carry out types 1, 2, 4, 6, 9 regulated activities and holds insurance broker licence under the Hong Kong Insurance Authority to carry out general and long term business (including linked long term business) in Hong Kong.

The Group has a viable business model equipped with:-

- (a) a diversified financial service platform offering a wide range of financial products;
- (b) a team of experienced and competent management team and professional staff;
- (c) in-depth market coverage for securities and futures markets;
- (d) well established and advanced on-line trading platform and IT infrastructure;
- (e) high operational efficiency empowered by self-developed FinTech;
- (f) a variety of innovative products with enhanced service capabilities to its clients; and
- (g) an on-line marketing channel with high and effective exposure to the market.

### ***Freeman Securities***

The Group, via FSL and FCL, is engaged in the provision of securities brokerage, futures brokerage, margin financing and placing services and operates under the name of "Freeman Securities".

Freeman Securities strives to become an online broker focusing on providing a digitalized global investment platform with satisfying customer experience and offering comprehensive products/ services, such as (i) futures trading system "民眾期貨王"; (ii) instant odd lot trading system "Go Per Share" (Go 富碎); (iii) instant deposit by electronic demand deposit account (eDDA); and (iv) remote account opening system, with targeted customers in Asia Pacific Regions, leveraging its on-line marketing channel "Sun Channel" (previously known as "Freeman Financial Channel") which strives to penetrate into a wide range of customers from different geographical locations, age ranges, and income levels.

Positioned as a transformational online broker, since 2017, Freeman Securities has developed "Sun Channel" which is broadcasted via a mainstream online video-sharing platform in order to attract clients and to promote and market its services. Freeman Securities has a relatively lean operation vis-à-vis its key competitors while it strives to offer quality digitalized services to clients. Leveraging its self-developed proprietary Fintech, Freeman Securities maintains its competitiveness in terms of speed and efficiency in trade execution, so as to reduce manpower in operation and maintain a streamlined and efficient organizational structure. The Group's advanced financial technology also enables its clients to have instant access to the global securities and futures markets with competitive service fees offered by the Group.

### ***Latest development regarding restrictions imposed by the Stock Exchange and the SFC***

As disclosed in the Company's announcement dated 27 November 2020, FSL and 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.

In or around December 2020, in view of the proposed Restructuring, SFC has uplifted the client on-boarding condition; and the Stock Exchange has also increased the level of volume FCL could transact on behalf of its clients. It is expected that all remaining restrictions will be removed in April/ May 2021 pursuant to the latest development of the proposed Restructuring.

The Board is confident that, upon completion of the proposed Restructuring and coupled with the support from the Investor, the proposed Restructuring will have positive impact on the brand, public awareness and visibility of Freeman Securities as well as the Group.

### **Publication of outstanding financial results**

The Company has published the annual results for the year ended 31 March 2020 on 6 January 2021 and published and despatched the corresponding Annual Report on 1 February 2021 and 2 February 2021, respectively.

The Company targets to publish the interim results for the six months ended 30 September 2020 and despatch the corresponding interim report in or around March 2021.

### **Latest development of the proposed Restructuring**

In respect of the Company's proposed debt restructuring:-

- (i) on 24 December 2020, upon application made by the Provisional Liquidators, the Courts have approved the convening of the Scheme Meetings;
- (ii) on 22 January 2021, the resolution to approve the Listco Schemes was duly passed at the Scheme Meetings; and
- (iii) on 2 February 2021 (Hong Kong time) and 3 February 2021 (Cayman Islands time), the Court has sanctioned without modification the Hong Kong ListCo Scheme under Hong Kong law and the Grand Court has sanctioned without modification the Cayman Islands ListCo Scheme under Cayman law, respectively.

In respect of the SSCL Disposal:-

- (i) on 9 February 2021, FSL, the Provisional Liquidators, the SSCL Purchaser and the SSCL Secured Creditor entered into the SSCL Disposal Supplemental Term Sheet, pursuant to which the parties agreed to amend and supplement the terms of the SSCL Disposal Term Sheet; and
- (ii) on 9 February 2021, FSL, the Provisional Liquidators and the SSCL Purchaser entered into the SSCL Share Transfer Agreement, 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.

### **Update on the preparation of the Circular**

As at the date of this announcement, the Company is in the process of preparing the Circular for submission and is working closely with all professional parties to finalise certain information in the Circular, including but not limited to the financial information of the Group and the letter from the independent financial adviser to the Independent Shareholders.

### **Update on Winding-up Petition**

As disclosed in the Company's announcement dated 1 December 2020, the next adjourned hearing of the Petition will be held on 19 April 2021.

Further announcement(s) will be made by the Company to keep the 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, 26 February 2021

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

***Executive Directors:***

Mr. Choi Wai Hong, Clifford

Mr. Yau Pak Yue

***Non-executive Directors:***

Ms. Ang Mei Lee Mary

Mr. Chung Wai Man

***Independent Non-executive Directors:***

Mr. An Dong

Mr. Fung Tze Wa

Mr. Wu Keli