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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)

### **THIRD SUPPLEMENTAL DEED IN RELATION TO THE RESTRUCTURING OF THE COMPANY AND SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION SPA**

References are made to (a) the announcements of the Company dated 17 November 2020 and 30 December 2020 in relation to, among other matters, the Restructuring Deed and the Second Supplemental Deed in respect of the Restructuring of the Company; and (b) the announcement of the Company dated 10 February 2021 in relation to the supplemental term sheet and share transfer agreement in relation to the SSCL Disposal (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

#### **THE THIRD SUPPLEMENTAL DEED AND THE SECOND SUPPLEMENTAL AGREEMENT**

On 21 May 2021, (a) the third supplemental deed (the “**Third Supplemental Deed**”) was entered into among the Company, the Provisional Liquidators and the Investor to amend and supplement the Restructuring Deed and the First Loan Agreement; and (b) the second supplemental agreement (the “**Second Supplemental Agreement**”) was entered into among, *inter alia*, the Company, the Provisional Liquidators and the Investor to amend and supplement the terms of the Acquisition SPA.

#### **(A) Amendments to the Restructuring Deed and the Acquisition SPA**

##### ***Addition of members of the Retained Group***

Freeman Technology Limited (“**Freeman Technology**”) and Freeman FullNode Limited (“**Freeman FullNode**”) were incorporated by the Company in December 2020 and January 2021, respectively.

Freeman Technology is a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company. Freeman Technology is incorporated for the sole purpose of holding the shares in Freeman FullNode.

Freeman FullNode is a company incorporated in Hong Kong and held as to 75% by Freeman Technology and 25% by an Independent Third Party. Freeman Technology is incorporated for the purpose of designing and developing the proprietary financial technology business of the Retained Group.

As at the date of this announcement, each of Freeman Technology and Freeman FullNode has no business operation.

Freeman Technology and Freeman FullNode will be part of the Retained Group upon (a) Completion in the event that the Resumption is approved by the Stock Exchange; or (b) completion of the Acquisition in the event that the Resumption is not approved by the Stock Exchange by the Long Stop Date.

In addition, to allow greater flexibility in the implementation of the Restructuring, the definition of Retained Subsidiaries has been expanded to include any other investment holding companies incorporated solely for the purpose of holding any of the Retained Subsidiaries.

As such, the terms of the Restructuring Deed and the Acquisition SPA have been amended and supplemented to reflect such addition of members of the Retained Group.

## **(B) Amendments to the Restructuring Deed and the First Loan Agreement**

### ***Release of the Retention Money***

Reference is made to the paragraph headed “The Second Supplemental Deed – (B) Amendments to the Restructuring Deed and the First Loan Agreement – Release of the Retention Money” in the announcement of the Company dated 30 December 2020. The mechanism of release of the Retention Money set out therein is amended as follows:

- (a) if any New Claims arise during the period between the date of the Management Accounts, being 31 July 2020, to the date falling on the first anniversary of the Resumption or such earlier date as agreed by the Company, the Provisional Liquidators and the Investor (the “**Period**”), the Retention Money shall be used for settling, satisfying and/or resolving, fully or in part, such New Claims (the “**Settlement**”); and
- (b) upon (i) fulfilment of all the conditions for the release of the proceeds of the First Loan; (ii) the expiration of the Period; and (iii) the Provisional Liquidators giving the Investor not less than five (5) Business Days’ prior written notice, the Retention Money (less the amount used for the Settlement, if any) shall be released from the Designated Account to the ListCo Account within seven (7) Business Days after the later of (i) the date of Settlement of all New Claims; or (ii) the expiration of the Period, or such earlier date as agreed by the Company, the Provisional Liquidators and the Investor for repayment to the LC Secured Lender.

Such amendments were made to allow greater flexibility in the implementation of the Restructuring and the transactions contemplated under the Restructuring Deed.

## **(C) Amendments to the Restructuring Deed**

### ***Removal of the Other Hong Kong Schemes***

Having considered that (a) the Licensed Corporations are solvent; (b) the liabilities of the Licensed Corporations recorded in their books are mainly accruals, which are expected to be paid on time by the Licensed Corporations; and (c) the Licensed Corporations will not be put in liquidation in any event, the Provisional Liquidators, the executive Directors, the non-executive Directors and the Investor are of the view that that it may not be advisable and/or practicable to make an application to the Court for sanction of the Court, or otherwise to seek, to implement the Other Hong Kong Schemes. Accordingly, the Company, the Provisional Liquidators and the Investor entered into the Third Supplemental Deed to remove the terms relating to the implementation of the Other Hong Kong Schemes. In particular, Conditions (a)(iii) and (b)(iii) as set out in the paragraph headed “The Second Supplemental Deed - (A) Amendments to the Restructuring Deed - Conditions Precedent of the Restructuring” in the announcement of the Company dated 30 December 2020 are removed.

### ***Exclusion of the SSCL Interest***

As set out in the paragraph headed “The Restructuring Deed – Exclusion of the SSCL Interest” in the announcement of the Company dated 17 November 2020, pursuant to the Restructuring Deed, in the event that completion of the SSCL Disposal does not occur on or before 30 April 2021 or such other date to be agreed by the Company, the Provisional Liquidators and the Investor in writing (the “**Agreed Date**”), the Provisional Liquidators and the Investor shall negotiate in good faith regarding the arrangement in relation to the SSCL Interest, including but not limited to the potential acquisition of the SSCL Interest by the Investor.

To align the Agreed Date with the SSCL Disposal Long Stop Date under the SSCL Disposal Term Sheet (as amended and supplemented by the SSCL Disposal Supplemental Term Sheet) and the SSCL Share Transfer Agreement, the Company, the Provisional Liquidators and the Investor entered into the Third Supplemental Deed to change the Agreed Date to 31 December 2021 or such other date to be agreed by the Company, the Provisional Liquidators and the Investor in writing.

## **(D) Amendments to the First Loan Agreement**

### ***Release of Proceeds of the First Loan***

Reference is made to the paragraph headed “The Restructuring Deed – The Provision of the First Loan and the Second Loan by the Investor – I. The First Loan Agreement – Release of Proceeds of the First Loan” in the announcement of the Company dated 17 November 2020.

Condition (c) set out therein was removed for the following reasons:

- (a) as disclosed in the announcement of the Company dated 22 January 2021, the Scheme Meetings in relation to the ListCo Schemes were convened and the resolutions to approve the ListCo Schemes were duly passed at the Scheme Meetings in January 2021;
- (b) as disclosed in the announcement of the Company dated 5 February 2021, the Hong Kong ListCo Scheme was sanctioned by the Court on 2 February 2021 (Hong Kong time) and the Cayman Islands ListCo Scheme was sanctioned by the Grand Court on 3 February 2021 (Cayman Islands time); and

- (c) having considered the above, the Provisional Liquidators, the executive Directors, the non-executive Directors and the Investor are of the view that it is no longer meaningful to obtain comfort letter from each of the Secured Creditors stating that it in principle supports the ListCo Schemes.

Save for the above, the Restructuring Deed, the First Loan Agreement and the Acquisition SPA remain unchanged and in full force and effect in all respects.

The Provisional Liquidators, the executive Directors and the non-executive Directors consider that the terms of the Third Supplemental Deed and the Second Supplemental Agreement are on normal commercial terms that are fair and reasonable, and the entering into of the Third Supplemental Deed and the Second Supplemental Agreement are in the interests of the Company and the Shareholders as a whole.

### **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares 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 conditions and such other further conditions that may be imposed by the Stock Exchange. The Company will keep the Shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

**Shareholders and potential investors should note that the implementation of the transactions contemplated under the Restructuring Deed are subject to a number of conditions precedent being fulfilled or waived, as applicable, and Completion is subject to such conditions being fulfilled. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

**The release of this announcement is not an indication that (a) the transactions contemplated under the Restructuring Deed will be implemented and/or completed, or (b) the Resumption has been or will be approved, or (c) trading of the Shares will be resumed, or (d) the conditions precedent to the Restructuring pursuant to the Restructuring Deed have been or will be fulfilled, or (e) Completion will take place. Trading of the Shares has been suspended since 28 February 2020 and will remain suspended until further notice.**

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, 21 May 2021

*As at the date of this announcement, the Board comprises Mr. Choi Wai Hong, Clifford and Mr. Yau Pak Yue as executive Directors, Ms. Ang Mei Lee Mary and Mr. Chung Wai Man as non-executive Directors, and Mr. An Dong, Mr. Fung Tze Wa and Mr. Wu Keli as independent non-executive Directors.*

*The executive Directors, the non-executive Directors and the Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*The sole director of the Investor, Mr. Xu Hao and the ultimate beneficial owner of the Investor, Dr. Cheng Chi-Kong, accept full responsibility for the accuracy of the information with regards to the Investor contained in this announcement and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by them have been arrived after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*