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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)

SUPPLEMENTAL TERM SHEET AND SHARE TRANSFER AGREEMENT IN RELATION TO THE SSCL DISPOSAL

Reference is made to the announcement of the Company dated 17 November 2020 in relation to, among other matters, the SSCL Disposal (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

THE SSCL DISPOSAL SUPPLEMENTAL TERM SHEET

On 9 February 2021, FSL, the Provisional Liquidators, the SSCL Purchaser and the SSCL Secured Creditor entered into a supplemental term sheet to the SSCL Disposal Term Sheet (the “**SSCL Disposal Supplemental Term Sheet**”), pursuant to which the parties agreed to amend and supplement the terms of the SSCL Disposal Term Sheet as follows:

(1) Conditions Precedent of the SSCL Disposal

Reference is made to the paragraph headed “Background of the Restructuring – Lifting encumbrances over the HoldingCos Mortgaged Shares and/or the shares of the Retained Subsidiaries – The SSCL Disposal – Conditions Precedent of the SSCL Disposal” in the Announcement.

The following terms in relation to the SSCL Disposal Conditions Precedent are supplemented to the SSCL Disposal Term Sheet:

- (a) all parties to the SSCL Disposal Term Sheet shall use all reasonable effort to negotiate and fulfill the SSCL Disposal Conditions Precedent by 30 April 2021;
- (b) if the SSCL Disposal Conditions Precedent are not fulfilled and/or waived (where applicable) or the SSCL Disposal Completion fails to take place by 31 December 2021 or such later date as agreed by the parties to the SSCL Disposal Term Sheet in writing (the “**SSCL Disposal Long Stop Date**”), any non-breaching party shall have the right to terminate the SSCL Disposal Term Sheet and the SSCL Disposal Definitive Transaction

Documents (together with the SSCL Disposal Term Sheet, the “**SSCL Documents**”) upon notice to the other parties; and

- (c) upon termination of the SSCL Documents, no party shall have any claim against any of the other parties, save for claims arising from/in relation to:
 - (i) any antecedent rights and obligations of the parties already accrued before the termination;
 - (ii) the provisions of the SSCL Documents which are to survive termination of the SSCL Documents;
 - (iii) any breach of the SSCL Documents; and
 - (iv) the obligations in relation to the refund of the Escrow Fund (as defined below) under the SSCL Documents.

(2) Termination of the SSCL Disposal Term Sheet

Reference is made to the paragraph headed “Background of the Restructuring – Lifting encumbrances over the HoldingCos Mortgaged Shares and/or the shares of the Retained Subsidiaries – The SSCL Disposal – Termination of the SSCL Disposal Term Sheet” in the Announcement.

The circumstances under which the SSCL Disposal Term Sheet shall be terminated are amended as upon the earlier of:

- (a) all parties to the SSCL Disposal Term Sheet agreeing to terminate the SSCL Disposal Term Sheet;
- (b) the SSCL Disposal Conditions Precedent not having been fulfilled and/or waived (where applicable) or the SSCL Disposal not having been completed by the SSCL Disposal Long Stop Date; or
- (c) the SSCL Disposal Completion.

Save as disclosed above, the SSCL Disposal Term Sheet remains unchanged and in full force and effect in all respects.

THE SSCL SHARE TRANSFER AGREEMENT

On 9 February 2021, FSL, the Provisional Liquidators and the SSCL Purchaser entered into a share transfer agreement in relation to the SSCL Interest (the “**SSCL Share Transfer Agreement**”), pursuant to which FSL conditionally agreed to sell, and the SSCL Purchaser conditionally agreed to acquire, the SSCL Interest.

The principal terms of the SSCL Share Transfer Agreement are as follows:

- Subject matter** : The SSCL Interest, representing approximately 12.17% of the share capital of SSCL, free from any encumbrances.
- Consideration** : RMB600,000,000 (the “**SSCL Disposal Consideration**”)

Payment of the SSCL Disposal Consideration : The Provisional Liquidators shall transfer the SSCL Disposal Initial Deposit to an account designated by the SSCL Purchaser in accordance with the terms of the SSCL Share Transfer Agreement.

The SSCL Purchaser shall deposit the full amount of the SSCL Disposal Consideration (inclusive of the SSCL Disposal Initial Deposit, which shall constitute as part of the SSCL Disposal Consideration at the SSCL Disposal Completion) in equivalent Hong Kong dollars (unless FSL and the SSCL Purchaser agreed otherwise), less the amount of any tax payable in the PRC for the SSCL Disposal (if any) (the “**Escrow Fund**”), to the SSCL Disposal Escrow Account in accordance with the terms of the SSCL Share Transfer Agreement (the “**Deposit of Escrow Fund**”).

No later than seven (7) days before the Deposit of Escrow Fund, FSL and the SSCL Purchaser shall transfer HK\$100,000 and HK\$50,000 to an account designated by the Escrow Agent, respectively, for the settlement of the fees payable to the Escrow Agent under the SSCL Disposal Escrow Agreement (the “**Escrow Agent Fees**”).

FSL shall execute a charge over the SSCL Disposal Escrow Account and all sums which from time to time may be deposited in or otherwise credited to the SSCL Disposal Escrow Account (the “**Charged Sums**”) in favour of the SSCL Secured Creditor as security for the SSCL Secured Obligations. The Escrow Fund shall only form part of the Charged Sums upon the SSCL Disposal Completion, and the SSCL Secured Creditor shall have no claim and no right whatsoever over the Escrow Fund prior to the SSCL Disposal Completion.

Conditions Precedent of the Deposit of Escrow Fund : The Deposit of Escrow Fund shall be conditional upon the following conditions precedent being fulfilled and/or waived (where applicable) (the “**Conditions of Deposit**”):

- (a) the SSCL Share Transfer Agreement, the SSCL Disposal Escrow Agreement and other related ancillary documents (if any) having been entered into;
- (b) the Provisional Liquidators and FSL having obtained all necessary approvals (including the approvals of the Court) in relation to the SSCL Disposal and the opening of the SSCL Disposal Escrow Account;
- (c) the Provisional Liquidators having obtained all necessary approvals of the Shareholders at the EGM in relation to the SSCL Disposal;
- (d) the SSCL Disposal having complied with the relevant laws, regulations and regulatory rules in the PRC, including but not limited to the SSCL Purchaser possessing the qualifications to be a substantial shareholder of a securities company and such qualifications having passed the review of China Securities Regulatory Commission;

- (e) all necessary government approvals, registration and filing procedures (if applicable) incidental to the SSCL Disposal, including but not limited to the approval of China Securities Regulatory Commission, having been obtained or completed;
- (f) all third party consents and approvals (if applicable) relating to the SSCL Disposal having been obtained;
- (g) FSL having full ownership of the SSCL Interest free from any encumbrances except for the security interest of the SSCL Secured Creditor over the SSCL Interest;
- (h) the SSCL Purchaser having obtained the approval(s) from the relevant foreign exchange regulatory authorities and/or banks for remitting the Escrow Fund to the SSCL Disposal Escrow Account;
- (i) there are no laws, regulations, court judgments, rulings, decisions or prohibitions from relevant government authorities that restrict, prohibit or cancel the SSCL Disposal, and there is no pending or potential litigation, arbitration, judgment, ruling, decision or injunction against any of the SSCL Purchaser, FSL or SSCL that is detrimental to the SSCL Disposal;
- (j) the representations and warranties respectively given by the parties to the SSCL Share Transfer Agreement remaining true, accurate and complete in all respects and not having been breached, and all conditions and obligations which shall be fulfilled prior to the Deposit of Escrow Fund having been fulfilled; and
- (k) there has been no material adverse change in the business, the financial condition or the position, prospects, assets or liabilities, the relevant industry or legal environment of the business of SSCL from the date of the execution of the SSCL Share Transfer Agreement up to the date of the Deposit of Escrow Fund.

**Conditions
Precedent of
the share
transfer**

: The completion of procedures relating to the transfer of the SSCL Interest by FSL shall be conditional upon the following conditions precedent being fulfilled and/or waived (where applicable) (the “**Conditions of Transfer**”):

- (a) the Conditions of Deposit (other than condition (c) set out above);
- (b) the SSCL Purchaser having deposited the Escrow Fund into the SSCL Disposal Escrow Account in accordance with the terms of the SSCL Share Transfer Agreement; and
- (c) all internal approvals of SSCL relating to the SSCL Disposal (including any necessary preparatory steps in respect of the change of the shareholder register of SSCL) having been obtained.

- Conditions Precedent of the release of the Escrow Fund** : The release of the Escrow Fund from the SSCL Disposal Escrow Account by the Escrow Agent shall be conditional upon the following conditions precedent being fulfilled and/or waived (where applicable) (the “**Conditions of Release**”):
- (a) the registration procedures for the cancellation of the charge over the SSCL Interest having been completed;
 - (b) the document effecting the release of the charge over the SSCL Interest issued by the relevant government authorities having been obtained and delivered to the SSCL Purchaser’s lawyer by FSL and the SSCL Secured Creditor;
 - (c) the share certificate evidencing FSL’s title to the SSCL Interest having been delivered to SSCL for cancellation and the proof of such cancellation having been delivered to the SSCL Purchaser’s lawyer by FSL; and
 - (d) the SSCL Purchaser having been registered as a shareholder of SSCL on the shareholder register of SSCL and the shareholder register of SSCL having been delivered to the SSCL Purchaser’s lawyer by SSCL.

- Completion of the SSCL Disposal** : SSCL Disposal Completion shall take place upon the Conditions of Deposit, the Conditions of Transfer and the Conditions of Release being fulfilled and/or waived (where applicable) or on such date as agreed by the parties to the SSCL Share Transfer Agreement.

Upon (a) the fulfillment of the Conditions of Release and (b) the delivery of a repayment notice in an agreed form by FSL, the SSCL Purchaser and the SSCL Secured Creditor to the Escrow Agent, the Escrow Fund shall be released by the Escrow Agent in the manner and priorities provided under the SSCL Disposal Escrow Agreement as follows:

- (a) HK\$100,000, being an amount equivalent to the Escrow Agent Fees paid by FSL to the Escrow Agent, shall be released and transferred to an account designated by FSL;
- (b) an amount equivalent to the expenses incurred by FSL for the SSCL Disposal, including the fees payable to professional parties engaged by FSL, shall be released and transferred to the accounts designated by FSL;
- (c) an amount equivalent to the amount of repayment obligations due, owing or payable to the SSCL Secured Creditor by FSL as determined by the SSCL Secured Creditor and the Provisional Liquidators in writing shall be released and transferred to an account designated by the SSCL Secured Creditor; and
- (d) the remainder of the Escrow Fund shall be released and transferred to an account designated by FSL.

Right to nominate a director : With effect from the SSCL Disposal Completion, subject to the internal approval procedures of SSCL, the SSCL Purchaser shall have the right to nominate a director of SSCL.

Fees and expenses : Each party to the SSCL Share Transfer Agreement shall bear the fees and expenses (including taxes) incurred respectively in relation to the transactions contemplated under the SSCL Share Transfer Agreement.

However, if SSCL Disposal Completion does not take place due to the default of FSL, FSL shall bear any losses arising from tax payment and refund to the SSCL Purchaser any tax already paid by the SSCL Purchaser in the event that such tax payment has not been refunded by the relevant government authorities within six (6) months from the date of termination of the SSCL Share Transfer Agreement. If SSCL Disposal Completion does not take place due to the default of the SSCL Purchaser, the SSCL Purchaser shall bear any losses arising from tax payment.

Breach of the SSCL Share Transfer Agreement : If any party to the SSCL Share Transfer Agreement fails to comply with its obligations or undertakings, or has given any representations or warranties which were untrue, inaccurate, incomplete or misleading or had material omission, the relevant party would be in breach of the SSCL Share Transfer Agreement, and shall pay damages to the non-breaching party for any economic loss directly resulting from such breach.

If the SSCL Disposal Conditions Precedent are not fulfilled due to the default of the SSCL Purchaser,

- (a) the SSCL Purchaser shall pay damages to FSL in accordance with the terms of the SSCL Share Transfer Agreement;
- (b) FSL and the Provisional Liquidators shall be entitled to deduct damages from the SSCL Disposal Initial Deposit and the interests accrued thereon in accordance with the terms of the SSCL Share Transfer Agreement and the SSCL Disposal Escrow Agreement;
- (c) the remaining Escrow Fund, if any, shall be refunded to the SSCL Purchaser upon the receipt by the Escrow Agent of a refund notice in an agreed form executed by FSL and the SSCL Purchaser (the “**Refund Notice**”); and
- (d) in the event that the amount of damages payable by the SSCL Purchaser exceeds the amount of the SSCL Disposal Initial Deposit and the interests accrued thereon, the SSCL Purchaser shall pay the outstanding amount of such damages to FSL in accordance with the terms of the SSCL Share Transfer Agreement.

If the SSCL Disposal Conditions Precedent are not fulfilled or the SSCL Disposal Completion fails to take place due to reason(s) other than the default of the SSCL Purchaser, the Escrow Fund shall be refunded to the SSCL Purchaser by the Escrow Agent upon the receipt of the Refund Notice by the Escrow Agent.

- Termination of the SSCL Share Transfer Agreement** : The SSCL Share Transfer Agreement shall be terminated upon the earlier of:
- (a) all parties to the SSCL Share Transfer Agreement agreeing to terminate the SSCL Share Transfer Agreement in writing;
 - (b) any party to the SSCL Share Transfer Agreement giving not less than ten (10) Business Days prior written notice to terminate the SSCL Share Transfer Agreement upon the occurrence of any of the following:
 - (i) the representations and warranties given by any party to the SSCL Share Transfer Agreement becomes untrue, inaccurate, incomplete or misleading; or
 - (ii) any party to the SSCL Share Transfer Agreement fails to comply with the conditions, undertakings or obligations and fails to rectify such breach within ten (10) Business Days upon written warning tendered by the other party(ies) to the SSCL Share Transfer Agreement;
 - (c) in the event that any party to the SSCL Share Transfer Agreement is unable to perform, fully or partially, its obligations under the terms of the SSCL Share Transfer Agreement due to a force majeure event reasonably beyond its control (or such circumstances continue to last for over ninety (90) days before the SSCL Disposal Completion), any party to the SSCL Share Transfer Agreement not affected by the occurrence of such force majeure event giving not less than ten (10) Business Days prior written notice to terminate the SSCL Share Transfer Agreement; or
 - (d) the SSCL Disposal Conditions Precedent not having been fulfilled and/or waived (where applicable) or the SSCL Disposal not having been completed by the SSCL Disposal Long Stop Date.

REASONS FOR AND BENEFITS OF THE SSCL DISPOSAL

As disclosed in the Announcement, the Company intended to use the net proceeds from the SSCL Disposal (after deducting relevant costs and expenses) to settle the outstanding liabilities due to (a) the SSCL Secured Creditor and (b) the LC Secured Lender.

The Provisional Liquidators, the executive Directors and the non-executive Directors consider that the terms of the SSCL Disposal Supplemental Term Sheet and the SSCL Share Transfer Agreement are on normal commercial terms that are fair and reasonable, and the entering into of the SSCL Disposal Supplemental Term Sheet and the SSCL Share Transfer Agreement are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As disclosed in the Announcement, the proposed settlement of the outstanding liabilities due to the SSCL Secured Creditor and the LC Secured Lender through the payment of the proceeds of

the SSCL Disposal constitutes a special deal under Rule 25 of the Takeovers Code. For details, please refer to the paragraph headed “Implications under the Takeovers Code – Special Deals – Special Deal II” in the Announcement.

IMPLICATIONS UNDER THE LISTING RULES

The SSCL Disposal may or may not constitute a transaction under Chapter 14 of the Listing Rules. Subject to the views of the Stock Exchange, the Company will make further announcements in this regard as and when appropriate in accordance with the Listing Rules.

GENERAL

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among others, the Special Deals. For details, please refer to the paragraph headed “EGM” in the Announcement.

For information relating to the circular containing, among others, details of (a) the Special Deals; (b) the letter from the independent financial adviser to the Independent Shareholders; and (c) a notice of the EGM (the “**Circular**”), please refer to the paragraph headed “General” in the Announcement and the announcement of the Company dated 8 December 2020 in relation to the delay in despatch of the Circular.

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.

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, 10 February 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.