

Today, the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission announced their decisions to take over 9 financial institutions that operate under the Tomorrow Group. In response to their various malicious and defamatory statements, the Group has decided to release its own statement, as follows:

1. Since Xiao Jianhua was returned to mainland China in early 2017, the Tomorrow Group has fully cooperated with investigations by the relevant authorities and moved at the request of regulators to dispose of various assets and to stabilize the operations of our affiliated companies. During this three and a half year period, the Group has sold, disposed of assets and repatriated funds worth a few hundred billion Renminbi. Additionally, we used 300 billion Renminbi of our own funds and fully repaid the principal and debt associated with Tianan Property Insurance. Thus far, without using any money from the government, we have avoided defaults, liquidity risks and managed to protect the interests of ordinary customers or clients.

2. Regarding the takeover decisions made by the supervisory authorities, Tomorrow Group will fully cooperate and implement them as required. However, a few questions remain and are difficult for us to understand.

First, the takeover statements stated that the relevant financial institutions had "triggered takeover conditions." But these institutions did not trigger the same takeover conditions when they were first investigated in early 2017. Did they? In the past three and a half years, the authorities have sent "investigation teams" to these companies to conduct "in-person supervision", which has effectively deprived the companies of their autonomy in operations. The companies are not allowed to conduct business as usual, nor are they allowed to expand and grow, and employees are prohibited from coming or leaving offices freely. The "in-person supervision" is essentially an effort to bankrupt the companies and to forcefully "trigger takeover conditions." Despite the difficulties, the companies still maintained growth. The takeovers were announced regardless. What is the real intention? And why?

Secondly, the takeover statements said that "the decisions are to promote market-driven reorganizations of the companies." In fact, Huaxia Life's restructuring plan had been nearly completed, as various parties signed restructuring agreements and paid deal deposits with the acknowledgement of the authorities. The plan had also been filed with the China Banking and Insurance Regulatory Commission in October 2019. Despite multiple inquiries, no response had been given. Why? Additionally, the authorities had agreed to a reorganization plan of Tian'an Life Insurance last week. Nevertheless, the takeover was announced only a few days later. Why? New China Trust had completed due diligence and signed documents for a market-driven reorganization, but the process was suddenly halted. Why? New Times Trust has had no default in payments to investors. It also has completed due diligence, signed agreements for a reorganization, and filed new shareholder qualification materials with the authorities. Yet, it is still taken over. Why?

Thirdly, Tomorrow Group has approximately two billion of funds in its accounts. We have repeatedly applied to repay the public investors who invest in the financial products of New Times Trust, thus reducing potential risks. But the applications have been repeatedly rejected. Why? With the rejections, we can only rely on our own efforts to ensure timely repayments of all principal and interest to the retail investors of New Times Trust.

3. When the government undertook what is called the "in-person supervision" and reorganizations of the nine companies under the Tomorrow Group, the regulators hampered our management efforts by creating obstacles, exaggerating the risks of our operations and pushing for a "takeover" of the companies. This isn't proper regulatory activity. They would like to replace the current managers and appoint themselves to executive positions to delay their own retirement. This is akin to exchanging power for money. How will the future reorganization be "market-driven"? Where is the "self-help and self-reorganize" policy approved by the general secretary? We will not hesitate to exercise our legitimate rights and report real names to the relevant authorities together with other information that we have.

4. The Tomorrow Group is an enterprise that was born and raised in China. In any event, we will follow the original intention of Mr. Xiao Jianhua when he founded the Tomorrow Group, caring for the country and giving back to society. After more than three years of ups and downs, we still have faith. We believe that our efforts will be rewarded, and that the Tomorrow Group will see fair, just and trustworthy results.