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If you have sold or transferred all your shares in Freeman Financial Corporation Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

PROPOSED SHARE CONSOLIDATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 3:00 p.m. on Wednesday, 18 July 2012 is set out on pages 10 to 11 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

3 July 2012

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EXPECTED TIMETABLE

Expected Timetable for the Share Consolidation

The expected timetable of the proposed Share Consolidation is as follows:

2012

Despatch of circular and proxy form of EGM	Tuesday, 3 July
Latest time for return of proxy form of EGM (not less than 48 hours prior to time of EGM).	3:00 p.m., Monday, 16 July
Expected date and time of EGM	3:00 p.m., Wednesday, 18 July
Announcement of results of EGM	Wednesday, 18 July
Effective date of the Share Consolidation	Thursday, 19 July
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares.	Thursday, 19 July
Dealing in Consolidated Shares commence	9:00 a.m., Thursday, 19 July
Original counter for trading in Shares (in board lots of 20,000 Shares) temporarily closes	9:00 a.m., Thursday, 19 July
Temporary counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares (in form of existing share certificates) to be opened	9:00 a.m., Thursday, 19 July
Original counter for trading in Consolidated Shares in new board lots of 20,000 Consolidated Shares (in the form of new share certificates) to be re-opened	9:00 a.m., Thursday, 2 August
Parallel trading in Consolidated Shares (in form of new and existing certificate) begins.	9:00 a.m., Thursday, 2 August

EXPECTED TIMETABLE

Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m., Thursday, 2 August
Temporary counter for trading in Consolidated Shares in board lots of 4,000 Adjusted Shares (in form of existing share certificates) to be closed	4:00 p.m., Wednesday, 22 August
Parallel trading in Consolidated Shares (in form of new and existing certificate) closes	4:00 p.m., Wednesday, 22 August
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m., Wednesday, 22 August
Last day of free exchange of existing share certificates for new share certificates	Friday, 24 August

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:–

“Board”	the board of Directors of the Company
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Freeman Financial Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened for the Shareholders to, among other things, consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 June 2012, being the latest practicable date prior to the printing of the circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.05 each
“Shareholder(s)”	holder(s) of Share(s) or Consolidated Share(s), as the context requires
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

Executive Directors:

Mr. Lo Kan Sun (*Managing Director*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Mr. Scott Allen Phillips
Ms. Chow Mun Yee

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Andrew Liu
Mr. Liu Kam Fai, Winston

*Principal place of business
in Hong Kong:*

Room 2302, 23rd Floor
China United Centre
28 Marble Road
North Point, Hong Kong

Independent Non-executive Directors:

Mr. Gary Drew Douglas
Mr. Peter Temple Whitelam
Dr. Agustin V. Que
Mr. Frank H. Miu

3 July 2012

To the Shareholders

Dear Sir/Madam,

PROPOSED SHARE CONSOLIDATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

It was stated in the announcement of the Company dated 13 June 2012 that the Company proposes to put forward to its Shareholders at the EGM the Share Consolidation proposal.

The purpose of this circular is to provide you with (i) the details of the Share Consolidation; and (ii) the notice convening the EGM.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.05 each.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$5,000,000,000 divided into 500,000,000,000 Shares and 3,676,687,113 Shares are in issue and fully paid. Assuming no further Shares will be issued from the Latest Practicable Date up to the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will remain at HK\$5,000,000,000 but will be divided into 100,000,000,000 Consolidated Shares of HK\$0.05 each, of which 735,337,422 Consolidated Shares will have been issued and fully paid.

Conditions

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise that may be required in respect of the Share Consolidation, if necessary.

Effects of Share Consolidation

The Consolidated Shares shall rank pari passu in all respects with each other. Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in on any stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Board Lot Size

The current board lot size for trading in the Shares on the Stock Exchange is 20,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain at 20,000 Consolidated Shares.

Reasons for Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares, the Board on its own initiative proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules.

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange.

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Odd Lot Arrangements and Fractional Consolidated Shares

Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint Freeman Securities Limited as an agent to provide matching services for the sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Shareholders who wish to take advantage of this facility should contact Ms. May Hong of Freeman Securities Limited at Room 1601, 16/F., China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number (852) 3513 8002 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Exchange of Share Certificates

Should the Share Consolidation become effective, Shareholders may, during the period from Thursday, 19 July 2012 to Friday, 24 August 2012 (both days inclusive) during business hours, submit existing certificates for the Shares in yellow colour to the Company's share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new share certificates in blue colour for the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the share registrar of the Company for exchange. Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Consolidated Shares. Existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders in question.

Share Structure of the Company before and after the Share Consolidation

The following table sets out the effect on the share capital structure immediately before and after the Share Consolidation:

	Before Share Consolidation	After Share Consolidation
Nominal value per share	HK\$0.01	HK\$0.05
Authorised share capital	HK\$5,000,000,000	HK\$5,000,000,000
No. of authorised shares	500,000,000,000 Shares	100,000,000,000 Consolidated Shares
Issued share capital	HK\$36,766,871.13	HK\$36,766,871.10
No. of issued shares	3,676,687,113 Shares	735,337,422 Consolidated Shares

As at the Latest Practicable Date, the Company has no outstanding options, warrant, conversion rights or other similar rights giving rights to subscribe for the Shares.

LETTER FROM THE BOARD

GENERAL

The Group is principally engaged in the financial services sector, including the provision of securities brokerage services, the provision of insurance brokerage and financial planning services, trading of securities, provision of finance, as well as investment holding.

EGM

The notice convening the EGM is set out on pages 10 to 11 of this circular. The EGM will be convened at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 3:00 p.m. on Wednesday, 18 July 2012 for the purpose of, considering and, if thought fit, to approve the Share Consolidation.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to Tricor Secretaries Limited, the Company's share registrar in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Board is of the opinion that the Share Consolidation, is in the interest of the Company and Shareholders as a whole and the Board recommends Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

By Order of the Board of
Freeman Financial Corporation Limited
Chow Mun Yee
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Freeman Financial Corporation Limited (the “Company”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 3:00 p.m. on Wednesday, 18 July 2012 for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue upon the Share Consolidation (as defined below) becoming effective:

- (a) every five (5) issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.05 (the “Consolidated Share”) in the share capital of the Company (the “Share Consolidation”);
- (b) all of the Consolidated Shares shall rank pari passu in all respect and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and
- (c) the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Consolidation.”

Hong Kong, 3 July 2012

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this notice, the Board comprises the following Directors:–

Executive Directors:

Mr. Lo Kan Sun (*Managing Director*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Mr. Scott Allen Phillips
Ms. Chow Mun Yee

Non-executive Directors:

Mr. Andrew Liu
Mr. Liu Kam Fai, Winston

Independent Non-executive Directors:

Mr. Gary Drew Douglas
Mr. Peter Temple Whitelam
Dr. Agustin V. Que
Mr. Frank H. Miu