

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 or transferee.

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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)

- (1) REFRESHMENT OF GENERAL MANDATES;
(2) REFRESHMENT OF REPURCHASE MANDATE;
(3) REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
(4) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders of Freeman Financial Corporation Limited**

VINCO  **城高**

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Board is set out on pages 4 to 12 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 13 of this circular. A letter of advice from Vinco Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 27 of this circular.

A notice convening the EGM of the Company to be held on Thursday, 9 July 2015 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. is set out on pages 31 to 35 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM should Shareholders so wish.

Hong Kong, 23 June 2015

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 28 August 2014
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Freeman Financial Corporation Limited 民豐企業控股有限公司 (Stock Code: 279), 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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 9 July 2015 at 4:00 p.m. to consider and approve, inter alia, the refreshment of General Mandates, the refreshment of Repurchase Mandate and the refreshment of Scheme Mandate Limit
“EGM General Mandate”	the general mandate granted to the Directors at the November 2014 EGM to allot and issue Shares up to 20% of the issued share capital of the Company as at 14 November 2014 (after taking into account of the share subdivision undertaken by the Company as announced on 11 November 2014 and became effective on 15 December 2014)
“Extension Mandate”	the extension of Issue Mandate by a separate resolution to include the Shares repurchased under the Repurchase Mandate up to 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of the EGM
“FCL Group”	Freeman Corporation Limited, an indirect non-wholly owned subsidiary of the Company incorporated in the Cayman Islands with limited liability and its subsidiaries
“General Mandates”	the Issue Mandate and the Extension Mandate

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board established by the Board to advise the Independent Shareholders in respect of the refreshment of General Mandates
“Independent Shareholders”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, Director (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Issue Mandate”	the general mandate proposed to be refreshed at the EGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of the EGM
“Latest Practicable Date”	19 June 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“November 2014 EGM”	the extraordinary general meeting of the Company held on 14 November 2014
“Overall Limit”	the meaning ascribed thereto in the Section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“Refreshed Limit”	the meaning ascribed thereto in the Section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be sought at the EGM to authorise the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the aggregate nominal value of the share capital of the Company in issue at the date of the EGM
“Scheme Mandate Limit”	the meaning ascribed thereto in the Section headed “Refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme” in the Letter from the Board in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Options”	options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 31 August 2012 and valid and effective for a period of ten years
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Vinc Capital”	Grand Vinc Capital Limited, a wholly-owned subsidiary of Vinc Financial Group Limited (Stock Code: 8340), a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandates
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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 (*Chairman*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Ms. Chow Mun Yee

Independent Non-executive Directors:

Mr. Cheung Wing Ping
Mr. Chung Yuk Lun
Mr. Hung Cho Sing
Dr. Agustin V. Que

Registered office:

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

Principal Place of Business in

Hong Kong:

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

23 June 2015

To the Shareholders

Dear Sir or Madam,

- (1) REFRESHMENT GRANT OF GENERAL MANDATES;
(2) REFRESHMENT OF REPURCHASE MANDATE;
(3) REFRESHMENT OF SCHEME MANDATE LIMIT;
AND
(4) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to: (i) the proposed refreshment of Issue Mandate to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of the EGM, the proposed refreshment of general mandate to repurchase Shares up to a maximum of 10% of the aggregate nominal value of the share capital of the Company in

LETTER FROM THE BOARD

issue as at the date of the EGM, the extension of the Issue Mandate by a separate resolution to include the Shares repurchased under the Repurchase Mandate up to 10% of the aggregate nominal share capital of the Company in issue as at the date of the EGM and the proposed refreshment of the 10% Scheme Mandate Limit under the Share Option Scheme; and (ii) the recommendation from the Independent Board Committee and the recommendation from Vinco Capital to the Independent Board Committee and the Independent Shareholders regarding the refreshment of General Mandates; and (iii) to give you notice of the EGM.

REFRESHMENT OF GENERAL MANDATES

As at the date of November 2014 EGM, the total number of issued shares of the Company of par value of HK\$0.01 each was 688,275,820. At the November 2014 EGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the EGM General Mandate to allot and issue up to 137,655,164 shares of the Company of par value of HK\$0.01 each (representing 20% of the then issued shares of the Company). After taking into account of the share subdivision of each issued and unissued shares of the Company of par value of HK\$0.01 each into ten Shares undertaken by the Company (with details as announced on 11 November 2014) and became effective on 15 December 2014, the maximum number of Shares to be allotted and issued under the EGM General Mandate is revised to 1,376,551,640 Shares (the "Revised EGM General Mandate").

Since the November 2014 EGM, the Company had taken into consideration of the then market conditions and entered into two placing of unlisted warrants under specific mandates as set out in the Company's circular dated 9 June 2015 (the "Placing of Warrants"). An aggregate of 2,064,827,460 warrant shares will be issued under two specific mandates subject to Shareholders' approval. The net proceeds of these fund-raising activities will be amounted to approximately HK\$961.5 million and to be used as general working capital for the Group and also for future expansion and development of FCL Group's financial services and securities trading business in order to generate positive returns to the Company and the Shareholders.

The Revised EGM General Mandate has not yet been utilised up to the Latest Practicable Date. In order to provide a more flexible means for the Company to raise further funds through the issue of new Shares, the Board proposes the refreshment of the General Mandates to allow the Directors to, inter alia, allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM.

On 29 December 2014, 3,441,379,100 bonus shares of par value of HK\$0.001 each were allotted and issued (with details as announced on 11 November 2014) and the total number of issued shares of the Company was increased to 10,324,137,300 Shares.

LETTER FROM THE BOARD

Based on the 10,324,137,300 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the EGM, the Directors will be authorised to allot and issue up to 2,064,827,460 new Shares under the refreshed Issue Mandate.

Also, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further shares in the Company equal to the aggregate nominal value of the Shares repurchased by the Company under the Repurchase Mandate, provided that such extended amount does not exceed 10% of the nominal amount of share capital of the Company in issue as at the date of the EGM.

The General Mandates will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

In April and May 2015, the Company announced the Placing of Warrants for aggregate net proceeds of approximately HK\$961.5 million which will be used for (i) securities trading business, (ii) additional funding to Freeman Securities Limited (a non-wholly owned subsidiary of the Company principally engaged in the provision of securities brokerage services, investment holding and trading of securities) for business expansion, (iii) money lending business; and (iv) other general working capital. The Placing of Warrants was not yet completed as at the Latest Practicable Date. More details of the Placing of Warrants are set out in the Company's circular dated 9 June 2015.

In view of the recent bullish sentiment in the financial and stock markets as seen by the gain of the Hang Seng Index in the first quarter of 2015 as compared to 2014, the Board considers that it is important for the Company to be able to raise funds effectively in order to seize the investment opportunities that may arise. The Company looks at potential investment opportunities on an ongoing basis to expand the business of the Group with focus especially in the insurance brokerage, securities trading and money lending areas and the business development of the FCL Group. In the event that the Company identifies a suitable investment opportunity, it may need additional funding. As the Placing of Warrants was not yet completed up to the Latest Practicable Date, the Company wishes to have the flexibility to capture such investment opportunities as and when they arise. The Directors will consider such opportunities on a case by case basis. As at the Latest Practicable Date, the Company does not has any plans or signed any agreements in relation to fund raising except for the placing agreements dated 22 April 2015, 29 April 2015, 13 May 2015, 15 May 2015 and 8 June 2015 in relation to the Placing of Warrants. The Directors believe that the refreshment of General Mandates will give the Company more flexibility to raise funds by any further

LETTER FROM THE BOARD

allotment and issue of Shares by the Board up to 20% of total issued capital of the Company as at the date of EGM for business expansion and development of the Company which is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, save and except for the Placing of Warrants, the Company does not have any other equity fund raising plans.

Potential dilution to shareholding of the public Shareholders

For illustrative purposes only, the table below sets out the shareholding structure of the Company on the assumption that the Issue Mandate is fully utilised and there will not be any other changes in the issued share capital of the Company.

Name of Shareholders	As at the Latest Practicable Date		Upon full utilisation of the Issue Mandate	
	No. of Shares	Approximate%	No. of Shares	Approximate%
Substantial Shareholder (as defined under the Listing Rules)				
Mr. Andrew Liu (Note 1)	1,116,848,070	10.82%	1,116,848,070	9.01%
Directors				
Ms. Au Shuk Yee, Sue (Note 2)	7,375,320	0.07%	7,375,320	0.06%
Ms. Chow Mun Yee (Note 2)	6,048,000	0.06%	6,048,000	0.05%
Public Shareholders:				
Shares available under the Issue Mandate (Note 3)	–	–	2,064,827,460	16.67%
Existing public Shareholders	9,193,865,910	89.05%	9,193,865,910	74.21%
	10,324,137,300	100%	12,388,964,760	100%

Note 1: These Shares are held by Unitas Capital Strategic Partners I Limited which is a company wholly-owned by Mr. Andrew Liu.

Note 2: Ms. Au Shuk Yee, Sue and Ms. Chow Mun Yee are the executive Directors of the Company.

Note 3: Assuming all Shares available under the Issue Mandate will be allotted and issued to public Shareholders other than the Directors.

The scenario above illustrates that the shareholding of the existing public Shareholders would be decreased from approximately 89.05% to approximately 74.21% upon full utilisation of the Issue Mandate which represents a dilution of approximately 14.84 percent points.

LETTER FROM THE BOARD

REFRESHMENT OF REPURCHASE MANDATE

At the AGM of the Company held on 28 August 2014, the Shareholders approved, among other things, an ordinary resolution to grant the Directors a general mandate to exercise all the powers of the Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company in issue at the date of AGM.

As at the Latest Practicable Date, the total number of issued Shares was 10,324,137,300. Assuming that no further Shares are repurchased or issued between the Latest Practicable Date and the date of the EGM, subject to the approval of the Repurchase Mandate by the Shareholders, the Company would be allowed to repurchase a maximum of 1,032,413,730 Shares under the Repurchase Mandate.

No Shares have been repurchased pursuant to this mandate since the date of AGM.

The Repurchase Mandate will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement as required under the Listing Rules to provide the requisite information in relation to the Repurchase Mandate is set out in Appendix I of this circular.

REFRESHMENT OF THE 10% SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted on 31 August 2012. Pursuant to the terms of the Share Option Scheme, among other things:

- (1) the Shares which may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and any other share option schemes of the Company ("Scheme Mandate Limit") shall not exceed 10% of the Shares in issue on the day of approval by Shareholders of any renewal or refreshment of the Scheme Mandate Limit, provided that the Company may seek separate approval of Shareholders in general meeting to grant Share Options beyond the Scheme Mandate Limit in accordance with the Listing Rules. In this connection, Share Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the Scheme Mandate Limit as "refreshed"; and

LETTER FROM THE BOARD

- (2) the overall limit on number of Shares in respect of which Share Options may be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the "Overall Limit").

The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval in general meeting and the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit.

Apart from the Share Option Scheme, the Company had no other share option scheme in force as at the Latest Practicable Date.

As at the date of November 2014 EGM, the total number of issued shares of the Company of par value of HK\$0.01 each was 688,275,820. Under the Scheme Mandate Limit, the Directors were authorised to grant options to subscribe for up to 68,827,582 shares of the Company of par value of HK\$0.01 each (representing 10% of the then issued share capital of the Company) as at the date of November 2014 EGM. After taking into account of the share subdivision of each issued and unissued shares of the Company of par value of HK\$0.01 each into ten Shares undertaken by the Company (with details as announced on 11 November 2014) and became effective on 15 December 2014, the maximum number of Shares to be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme is revised to 688,275,820 Shares (the "2014 Scheme Mandate Limit"). 688,275,820 Share Options were granted by the Company on 23 April 2015 but have not yet been exercised and the 2014 Scheme Mandate Limit was fully utilised as at the Latest Practicable Date.

On 29 December 2014, 3,441,379,100 bonus shares of par value of HK\$0.001 each were allotted and issued (with details as announced on 11 November 2014) and the total number of issued shares of the Company was increased to 10,324,137,300 Shares.

If the Scheme Mandate Limit is "refreshed" at the EGM, on the basis of 10,324,137,300 Shares in issue as at the Latest Practicable Date and that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, the Scheme Mandate Limit will be "refreshed" to 1,032,413,730 Shares and the Company will be allowed, to grant further Share Options under the Share Option Scheme carrying the rights to subscribe for a maximum of 1,032,413,730 Shares (the "Refreshed Limit").

The total number of Shares issued and to be issued upon exercise of the Share Options granted to each of the Share Option Scheme participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued Shares unless approved by Shareholder in accordance with the Listing Rules.

LETTER FROM THE BOARD

In order to allow the Company to make full use of the Share Option Scheme to grant Share Options to participants, including but not limited to Directors and employees of the Group, to provide incentive or rewards for their contribution to the growth of the Group as a result of the recent increase in issued share capital of the Company, a resolution will be proposed at the EGM to “refresh” the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is subject to the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of Share Options under the Refreshed Limit up to 10% of the issued share capital of the Company on the date of the EGM. Application will be made to the Stock Exchange for listing of and permission to deal in the Shares to be issued upon exercise of options pursuant to the refreshment of the Scheme Mandate Limit.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company’s equity fund raising activities over the past 12-month period immediately preceding the Latest Practicable Date are set out below:

Date of announcements	Fund raising activities	Net proceeds to be raised (approximately)	Proposed use of the net proceeds	Actual use of proceeds
22 April 2015, 29 April 2015, 15 May 2015 and 8 June 2015	Placing of 1,376,551,640 unlisted warrants with mandatory exercise rights at HK\$0.43 per warrant share under specific mandate	HK\$587.6 million	General working capital for the Group and also for future expansion and development of FCL Group’s financial services and securities trading business	Not yet completed as at the Latest Practicable Date
13 May 2015 and 8 June 2015	Placing of 688,275,820 unlisted warrants with mandatory exercise rights at HK\$0.55 per warrant share under specific mandate	HK\$373.8 million	General working capital for the Group and also for future expansion and development of FCL Group’s financial services and securities trading business	Not yet completed as at the Latest Practicable Date

LETTER FROM THE BOARD

EGM

The EGM will be convened and held for the purpose of considering, and, if thought fit, approving, inter alia, the refreshment of General Mandates, the refreshment of the Repurchase Mandate and the refreshment of the Scheme Mandate Limit. The refreshment of General Mandates, the refreshment of the Repurchase Mandate and the refreshment of the Scheme Mandate Limit are subject to the Shareholders' approval.

The notice of the EGM is set out on pages 31 to 35 of this circular. A proxy form for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the branch registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM should you so wish.

Pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of General Mandates will be subject to the Independent Shareholders' approval at the EGM. As at the Latest Practicable Date, the Company did not have any controlling Shareholder and Ms. Au Shuk Yee, Sue, an executive Director, held 7,375,320 Shares, and Ms. Chow Mun Yee, an executive Director, held 6,048,000 Shares. Accordingly, Ms. Au Shuk Yee, Sue and Ms. Chow Mun Yee who hold a total of 13,423,320 Shares, representing 0.13% of the total issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting in favour on the resolutions, to approve the refreshment of the General Mandates at the EGM.

No Shareholders will be required to abstain from voting at the EGM in respect of the resolutions relating to the refreshment of the Repurchase Mandate and the refreshment of the Scheme Mandate Limit.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the EGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular and the letter from Vinco Capital containing its advice and the principal factors which it has considered in arriving at its advice with regard to the refreshment of General Mandates, as set out on pages 14 to 27 of this circular.

LETTER FROM THE BOARD

The Board is of the opinion that the (i) the refreshment of General Mandates; (ii) refreshment of Repurchase Mandate; and (iii) the refreshment of the Scheme Mandate Limit are in the best interests of the Company and Shareholders as a whole and recommends the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL

Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix in this circular.

By Order of the Board
Freeman Financial Corporation Limited
Lo Kan Sun
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

23 June 2015

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATES

We refer to the circular from the Company to the Shareholders dated 23 June 2015 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the refreshment of General Mandates, details of which are set out in the “Letter from Vinco Capital” set out on pages 14 to 27 of the Circular, which contains Vinco Capital’s advice regarding the refreshment of General Mandates.

Having taken into account the advice of Vinco Capital, we consider the refreshment of General Mandates to be fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the refreshment of General Mandates.

Yours faithfully,
For and on behalf of the
Independent Board Committee

**Mr. Cheung
Wing Ping**
*Independent non-
executive Director*

**Mr. Chung
Yuk Lun**
*Independent non-
executive Director*

**Mr. Hung
Cho Sing**
*Independent non-
executive Director*

**Dr. Agustin
V. Que**
*Independent non-
executive Director*

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandates which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited
Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

23 June 2015

To the Independent Board Committee and the Independent Shareholders of
Freeman Financial Corporation Limited

Dear Sirs and Madams,

REFRESHMENT OF GENERAL MANDATES

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the refreshment of General Mandates, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the circular issued by the Company to the Shareholders dated 23 June 2015 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the date of November 2014 EGM, the total number of issued shares of the Company of par value of HK\$0.01 each was 688,275,820. At the November 2014 EGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the EGM General Mandate to issue and allot up to 137,655,164 shares of the Company of par value of HK\$0.01 each (representing 20% of the then issued shares of the Company). After taking into account of the share subdivision of each issued and unissued shares of the Company of par value of HK\$0.01 each into ten Shares undertaken by the Company (with details as announced on 11 November 2014) and became effective on 15 December 2014 the maximum number of Shares to be allotted and issued under the EGM General Mandate is revised to 1,376,551,640 Shares (the "Revised EGM General Mandate").

LETTER FROM VINCO CAPITAL

Since the November 2014 EGM, the Company had taken into consideration of the then market conditions and entered into two placing of unlisted warrants under the specific mandates as set out in the Company's circular dated 9 June 2015 (the "Placing of Warrants"). An aggregate of 2,064,827,460 warrant shares will be issued under two specific mandates subject to the Shareholders' approval. The net proceeds of these fund-raising activities will be amounted to approximately HK\$961.5 million and to be used as general working capital for the Group and also for its future expansion and development of FCL Group's financial services and securities trading business in order to generate positive returns to the Company and the Shareholders.

On 29 December 2014, 3,441,379,100 bonus shares of par value of HK\$0.001 each were allotted and issued (with details as announced on 11 November 2014) and the total number of issued shares of the Company was increased to 10,324,137,300 Shares.

Based on the 10,324,137,300 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the EGM, the Directors will be authorised to allot and issue up to 2,064,827,460 new Shares under the refreshed Issue Mandate.

The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the Issue Mandates to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM. Also, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further shares in the Company equal to the aggregate nominal value of the Shares repurchased by the Company under the Repurchase Mandate, provided that such extended amount does not exceed 10% of the nominal amount of share capital of the Company in issue as at the date of the EGM.

Under Rule 13.36(4) of Listing Rules, any proposed grant of General Mandates prior to the Company's next annual general meeting must be approved by the Independent Shareholders at the EGM, at which the controlling Shareholders and their associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executives of the Company as well as all their respective associates shall be abstained from voting in favour of the resolution approving the refreshment of General Mandates. As at the Latest Practicable Date, having made all reasonable enquiries, there is no controlling shareholder. Ms. Au Shuk Yee, Sue, an executive Director, held 7,375,320 Shares, and Ms. Chow Mun Yee, an executive Director, held 6,048,000 Shares. Accordingly, Ms. Au Shuk Yee, Sue and Ms. Chow Mun Yee who hold a total of 13,423,320 Shares, representing 0.13% of the total issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting in favour on the resolutions, to approve the refreshment of the General Mandates at the EGM.

LETTER FROM VINCO CAPITAL

The Independent Board Committee, comprising Mr. Cheung Wing Ping, Mr. Chung Yuk Lun, Mr. Hung Cho Sing and Dr. Agustin V. Que, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the refreshment of General Mandates. We, Vinco Capital, have been appointed and have been approved by the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of General Mandates.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give an independent opinion as to whether the refreshment of General Mandates is in the interest of the Company and the Shareholders as a whole, being fair and reasonable so far as the Independent Shareholders are concerned and whether the Independent Board Committee should recommend the Independent Shareholders to vote in favour of the refreshment of General Mandates at the EGM. We are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and therefore is considered suitable as defined under Rule 13.84 of the Listing Rules to give independent advice to the Independent Board Committee and the Independent Shareholders. We have not acted as the independent financial adviser to the Company's other transactions during the last two years.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandates, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete up to and including the date of the EGM and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

LETTER FROM VINCO CAPITAL

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

We consider that we have reviewed all currently available information and documents (particularly, (i) the announcement of the Company dated 21 April 2015 in relation to the positive profit alert; (ii) the circular of the Company dated 9 June 2015 in relation to the placement of warrants; (iii) the interim report of the Company for the six months ended 30 September 2014 (the "Interim Report"); (iv) market information in relation to the industry review of the stock market in Hong Kong and (v) the Guide on Trading Arrangements for Selected Types of Corporate Actions issued by the Hong Kong Exchanges and Clearing Limited (the "Guide on Trading Arrangements"), which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the refreshment of General Mandates, as referred to in Rule 13.80 of the Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the refreshment of General Mandates and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandates, we have considered the principal factors and reasons set out below:

Background to and reasons for the refreshment of General Mandates

Background

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

LETTER FROM VINCO CAPITAL

As at the date of November 2014 EGM, the total number of issued shares of the Company of par value of HK\$0.01 each was 688,275,820. At the November 2014 EGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the EGM General Mandate to allot and issue up to 137,655,164 shares of the Company of par value of HK\$0.01 each (representing 20% of the then issued shares of the Company). After taking into account of the share subdivision undertaken by the Company (with details as announced on 11 November 2014) and became effective on 15 December 2014, the maximum number of the Shares to be allotted and issued under the EGM General Mandate is revised to 1,376,551,640 Shares.

Since the November 2014 EGM, the Company had taken into consideration of the then market conditions and entered into the Placing of Warrants. An aggregate of 2,064,827,460 warrant shares will be issued under two specific mandates subject to Shareholders' approval. The net proceeds of these fund-raising activities will be amounted to approximately HK\$961.5 million and to be used as general working capital for the Group and also for its future expansion and development of FCL Group's financial services and securities trading business in order to generate positive returns to the Company and the Shareholders.

As the Revised EGM General Mandate has not yet been utilised up to the Latest Practicable Date, in order to provide a flexible means for the Company to raise further funds through the issue of new Shares, the Board proposes the refreshment of the General Mandates to allow the Directors to, inter alia, allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM.

On 29 December 2014, 3,441,379,100 bonus shares of par value of HK\$0.001 each were allotted and issued (with details as announced on 11 November 2014) and the total number of issued shares of the Company was increased to 10,324,137,300 Shares.

Based on the 10,324,137,300 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date until the date of the EGM, subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the EGM, the Directors will be authorised to allot and issue up to 2,064,827,460 new Shares under the refreshed Issue Mandate. Also, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further shares in the Company equal to the aggregate nominal value of the Shares repurchased by the Company under the Repurchase Mandate, provided that such extended amount does not exceed 10% of the nominal amount of share capital of the Company in issue as at the date of the EGM.

The grant of General Mandates will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held; and (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM VINCO CAPITAL

Reasons for the refreshment of the General Mandates

As stated in the Letter from the Board, in April and May 2015, the Company announced the Placing of Warrants for aggregate net proceeds of approximately HK\$961.5 million which will be used for (i) securities trading business, (ii) additional funding to Freeman Securities Limited (a non-wholly owned subsidiary of the Company principally engaged in the provision of securities brokerage services, investment holding and trading of securities) for business expansion, (iii) money lending business and (iv) other general working capital. The Placing of Warrants was not yet completed as at the Latest Practicable Date. More details of the Placing of Warrants are set out in the Company's circular dated 9 June 2015.

In addition, it is further stated that in view of the recent bullish sentiment in the financial and stock markets as seen by the gain of the Hang Seng Index in the first quarter of 2015 as compared to 2014, the Board considers that it is important for the Company to be able to raise funds effectively in order to seize the investment opportunities that may arise. The Company looks at potential investment opportunities on an ongoing basis to expand the business of the Group with focus especially in the insurance brokerage, securities trading and money lending areas and the business development of the FCL Group. In the event that the Company identifies a suitable investment opportunity, it may need additional funding. After our discussion with the Directors, we are aware of that in order to allow the flexibility to raise further capital to finance future investments and/or for future business development, the Company wishes to seek approval of Shareholders at the EGM to refresh the General Mandates to the Directors. As at the Latest Practicable Date, the Company does not have any immediate plans for any new issue of Shares under the General Mandates at present, and save for the refreshment of the general mandate in the November 2014 EGM due to the increase in share capital resulted from the bonus issue, the Company has not refreshed the general mandate since the November 2014 EGM.

The Directors consider that it is necessary for the proposed refreshment of General Mandates, as it will enable the Group to conduct fund raising activities as and when opportunities arise; and granting of specific mandate is subject to the approval of the Shareholders which may cause undue delay if the Group wishes to carry out timely acquisitions. If the General Mandates is refreshed, the Group will be in a better bargaining position in the negotiation of potential investments or acquisitions, the Board thus proposes to pass an ordinary resolution at the EGM to approve the refreshment of General Mandates so as to allow the Directors to issue new Shares not exceeding 20% of the nominal amount of the issued share capital of the Company as at the date of EGM. As at the Latest Practicable Date, the Company does not has any plans or signed any agreements in relation to fund raising except for the placing agreements dated 22 April 2015, 29 April 2015, 13 May 2015 and 15 May 2015 and 8 June 2015 in relation to the Placing of Warrants.

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As at the Latest Practicable Date, save and except for the Placing of Warrants, the Company does not have any other equity fund raising plans.

We noted that since the November 2014 EGM, there is change in the total number of issued Shares of the Company. As at the date of the November 2014 EGM, the total issued shares was 688,275,820 shares. An ordinary resolution for the share subdivision was passed at the extraordinary general meeting of the Company held on 12 December 2014, which became effective on 15 December 2014, each of existing issued and unissued share of HK\$0.01 each in the share capital of the Company was subdivided into ten Shares, the then issued share capital of the Company was increased to 6,882,758,200 Shares. In addition, an ordinary resolution for the bonus issue on the basis of one bonus share for every two subdivided shares held on the record date was passed on the extraordinary general meeting held on 12 December 2014. On 29 December 2014, 3,441,379,100 bonus shares of par value of HK\$0.001 each were allotted and issued and after the bonus issue, the total number of issued Shares of the Company was then increased to 10,324,137,300 Shares. Under the Revised EGM General Mandates, the Company may only allot and issue up to 1,376,551,640 Shares, which represents approximately 13.3% of the total number of issued Shares as at the Latest Practicable Date. Should the General Mandates is refreshed, the Company will be allowed to allot and issue up to 2,064,827,460 Shares, which is 20% of the issued Shares as at the date of EGM (assuming there is no change in the issued share capital after the Latest Practicable Date and up to the date of the EGM) and hence the Company is able to allot and issue an addition of 688,275,820 Shares. Therefore, we are of the view that the refreshment of General Mandates can provide the Company with higher limit and greater flexibility as allowed under the Listing Rules for any future allotment and issue of the Shares by the Board as and when necessary for the Group's future business development by allowing the Company to allot and issue up to 20% of the issued Shares as at the date of EGM (assuming there is no change in the issued share capital after the Latest Practicable Date and up to the date of the EGM) should future funding needs arise.

In addition, we noted that the Company has issued a positive profit alert announcement on 21 April 2015 that the Group is expected to record a substantial unaudited net profit of approximately HK\$623.6 million for the year ended 31 March 2015 as compared to the net profit of approximately HK\$477.3 million recorded last year. The unaudited net profit for the year ended 31 March 2015 is mainly attributable to (i) net realised losses and net unrealised gains of investments at fair value through profit or loss of approximately HK\$192.2 million (2014: a gain of approximately HK\$107.4 million) and approximately HK\$566.8 million (2014: HK\$396.0 million) respectively; (ii) an increase in dividend income from investments in securities of approximately HK\$23.2 million (2014: HK\$37.8 million); and (iii) a possible share of profit of a jointly controlled entity (2014: share of losses of associates of HK\$98.2 million). After our discussion with the Directors, we noted that the possible profit making performance is mainly due to successful investment strategies.

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In addition, the Hong Kong stock market also performed well recently. According to the HKEx Fact Book 2014 published by the Stock Exchange (the “HKEx Fact Book”), the Shanghai Hong Kong Stock Connect was formally launched on 17 November 2014. As at the end of 2014, there were 273 SEHK-listed stocks eligible for Southbound trading under Shanghai-Hong Kong Stock Connect. Since the launch of the programme, total southbound trading value of HK\$26.0 billion was recorded up to the end of 2014. During this period, the average daily turnover was HK\$929 million. As at the end of 2014, the southbound trading quota used was RMB10.5 billion, representing approximately 4% of the aggregate quota of RMB250 billion. Regarding the northbound trading, total trading value was recorded to RMB167,511.8 million while the average daily turnover was approximately RMB5,583.7 million up to the end of 2014, represents a minor fraction of the aggregate quota of RMB300 billion. In addition, according to the monthly market highlights provided by the Stock Exchange, in April 2015, the average daily turnover for the first four months of 2015 was HK\$113,423 million, an increase of approximately 68% when compared with HK\$67,607 million for the same period last year and the average daily turnover for April 2015 reached a record single-month high of HK\$200,097 million. Also, funds raised through initial public offerings for the first four months of 2015 was HK\$55,255 million, an increase of approximately 16% when compared with HK\$47,742 million for the same period last year.

Based on the above, we consider that there is growth momentum in the stock market in Hong Kong in 2015. In addition, it is expected that the Shenzhen-Hong Kong Stock Connect will be launched by the end of 2015. Together with the growth opportunities for the Shanghai Hong Kong Stock Connect and the potential launch of the Shenzhen-Hong Kong Stock Connect, we are of the view that stock market may remain positive in Hong Kong in 2015 and hence the trading activities in the stock market in Hong Kong may be active together with the growth momentum in the stock market in Hong Kong and hence may benefit the Group’s brokerage and securities trading business.

In addition, we have reviewed the Interim Report and noted that as at 30 September 2014, the Group’s cash and cash balances of approximately HK\$292.8 million while the total borrowings in current portion amounted to approximately HK\$348.7 million, in which the Group’s cash levels may not be sufficient to repay the debt. We consider that the refreshment of General Mandates can allow the Group to raise fund in timely manner in the form of equity financing to repay the debt in case when they are due. In addition, one of the Group’s core business is the provision of finance and/or margin financing services to its customers. Should the General Mandates be refreshed, together with the potential positive trading activities in stock market in Hong Kong as mentioned above, the Company is allowed to raise additional funding to support its business for further business growth of the Group. Therefore, we are of the view that the refreshment of the General Mandates can provide a financing options to the Directors. Furthermore, we noted that as at the Latest Practicable Date, the Placing of Warrants are not yet completed, the refreshment of General Mandates may provide financing options to the Directors should the Placing of Warrants not materialised or the subscription rights under the Placing of Warrants are not being exercised.

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Given that (i) the possible profit performance of the Group for the year ended 31 March 2015 is mainly due to successful investment strategies; (ii) the positive outlook on the Hong Kong stock market in 2015 may benefit the Group's brokerage and securities business; (iii) the refreshment of the General Mandates enable the Group to conduct fund raising activities as and when opportunities arise and (iv) the Group will be in a better bargaining position in the negotiation of potential investments or acquisitions if the General Mandates are refreshed, we therefore are of the view that the refreshment of the General Mandates is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Financial Flexibility

The Directors believe that the refreshment of General Mandates will provide the Company with necessary financial flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

As advised by the Directors, although there is no intention/plan for utilising the General Mandates as at the Latest Practicable Date but if any potential investors offer attractive terms for investment in the Shares subject to the market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as general working capital and/or supporting the Group's future business development. The Directors consider that funding requirement or appropriate investment opportunities may or may not raise at any time prior to the next annual general meeting and decision may have to be made within a limited period of time in such event. The Directors therefore believe that the refreshment of General Mandates will provide flexibility in the source of funding and allow the Company to seize any potential opportunities in a timely manner.

Accordingly, having considered that (i) the possible profit performance of the Group for the year ended 31 March 2015 was mainly due to successful investment strategies; (ii) the positive outlook on the Hong Kong stock market in 2015 may benefit the Group's brokerage and securities trading business and (iii) the increased amount of capital which may be raised under the refreshment of General Mandates will provide more options of financing to the Group when assessing and negotiating potential acquisitions in a timely manner, we are of view that it is fair and reasonable to refreshment the General Mandates to the Directors to allot and issue Shares.

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Other financing alternatives

As advised by the Directors, apart from equity financing, the Directors will also consider other financing methods such as bank financing and debt financing so as to meet its financing requirements arising from any future development of the Group, depending on the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. Bank financing and debt financing may (i) incur interest burden on the Group; and (ii) subject to, including but not limited to lengthy due diligence and negotiations with the banks with regards to the Group's financial position, capital structure and cost of funding of the Group as well as the prevailing market condition and the pledge of the Group's assets, the Directors consider that debt financing is rather uncertain and time-consuming as compared to equity financing for the Group to raise additional capital for its future investments and/or business development. In addition, the Directors have also considered other means of equity financing method such as pro rata equity financing like rights issue or open offer. However, rights issue or open offer may be more time consuming as compared to direct placement of shares and would incur substantial costs in form of legal costs and underwriting commission.

Therefore, the Directors consider that the refreshment of General Mandates may provide an alternative to fund any possible business development or investment opportunities that does not create any interest paying obligations on the Group. Accordingly, the Directors confirmed that they would exercise due and careful consideration when choosing the financing method available to the Group and would adopt the method which serves the best interest of the Group. We have reviewed the annual report of the Company for the year ended 31 March 2014 (the "Annual Report"), and we noted that the effective interest rates per annum for its interest bearing borrowings are ranged from 1.89% to 7.24%. Further borrowings will increase the finance costs as well as the gearing ratio of the Company. As at 31 March 2014 and 30 September 2014, the gearing ratio (as calculated by total interest bearing borrowings divided by equity attributable to owners of the Company) was approximately 6.5% and 9.2% respectively. In addition, we noted from the Annual Report that the interest bearing borrowings of the Group are secured by the Group's listed available-for-sale investment and investments at fair value through profit or loss with aggregate carrying values of approximately HK\$18,507,000 and HK\$1,836,599,000, respectively. Therefore, we consider that debt borrowings may subject to the pledge of the Group's asset which is not favourable and not in the best interest to the Company and the Shareholders as a whole. Besides, we also refer to the Guide on Trading Arrangements, pro-rata equity financing would normally take approximately 29 to 41 business days for the first day of dealings in fully-paid rights shares. We therefore consider that pro rata equity financing is time consuming as compared to direct placement of shares. In light of the above, we consider the refreshment of General Mandates provides the Company an additional financing alternative for the Company to raise further capital for its business development if and when and opportunity arises and it is reasonable for the Company to maintain its flexibility in deciding the best financing alternative for its future investments and/or business development.

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In view of refreshment of the General Mandates shall (i) ensure the Company having sufficient general mandate, if so required; (ii) provide an alternative to increase the amount of capital which may be raised under the General Mandates; and (iii) provide more flexibility and options of financing to the Group for future business opportunities which may arise occasionally, we are of the view that the refreshment of General Mandates, subject to the approval of the Independent Shareholders, which may or may not be utilised, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Fund raising activities in the past twelve months

The Company's equity fund raising activities over the past 12-month period immediately preceding the Latest Practicable Date are set out below:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of proceeds
13 May 2015 and 8 June 2015	Placing of 688,275,820 unlisted warrants at HK\$0.55 per warrant share under specific mandate	HK\$373.8 million	General working capital for the Group and also for future expansion and development of FCL Group's financial services and securities trading business	Not yet completed as at the Latest Practicable Date
22 April 2015, 29 April 2015 and 8 June 2015	Placing of 1,376,551,640 unlisted warrants at HK\$0.43 per warrant share under specific mandate	HK\$587.6 million	General working capital for the Group and also for future expansion and development of FCL Group's financial services and securities trading business	Not yet completed as at the Latest Practicable Date

LETTER FROM VINCO CAPITAL

As set out in the circular of the Company dated 9 June 2015, the Company entered into the placing agreement with the placing agent, pursuant to which the Company agreed to grant and the placing agent agreed to procure not less than six subscribers to subscribe for 1,376,551,640 warrants (the “First Warrants”), on a fully-underwritten basis, at the issue price of HK\$0.01 per warrant. The subscription price is HK\$0.43 per warrant share (subject to adjustment pursuant to the warrant instrument). The warrant shares will be issued under the specific mandate is subject to the Shareholders’ approval and a total of 1,376,551,640 warrant shares will be allotted and issued by the Company upon full exercise of the subscription rights (the “First Subscription Rights”).

As set out in the circular of the Company dated 9 June 2015, the Company entered into the placing agreement with the placing agent, pursuant to which the Company agreed to grant and the placing agent agreed to procure not less than six subscribers to subscribe for 688,275,820 warrants (the “Second Warrants”), on a fully-underwritten basis, at the issue price of HK\$0.01 per warrant. The subscription price is HK\$0.55 per warrant share (subject to adjustment pursuant to the warrant instrument). The issue of warrant shares under the specific mandate is subject to the Shareholders’ approval and a total of 688,275,820 warrant shares will be allotted and issued by the Company upon full exercise of the subscription rights (the “Second Subscription Rights”).

Save as disclosed above, the Directors confirmed that the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

Potential dilution to the shareholding of the Company

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the General Mandates (assuming the First Warrants and the Second Warrants will not be exercised under the First Subscription Rights and the Second Subscription Rights respectively and hence no additional Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of the EGM):

LETTER FROM VINCO CAPITAL

Name of Shareholders	As at the Latest Practicable Date		Upon full utilisation of the Issue Mandate	
	<i>No. of Shares</i>	<i>Approx.%</i>	<i>No. of Shares</i>	<i>Approx.%</i>
Substantial Shareholder				
Liu Andrew (<i>Note 1</i>)	1,116,848,070	10.82	1,116,848,070	9.01
Directors				
Au Shuk Yee, Sue (<i>Note 2</i>)	7,375,320	0.07	7,375,320	0.06
Chow Mun Yee (<i>Note 2</i>)	6,048,000	0.06	6,048,000	0.05
Public Shareholders				
Existing public Shareholders	9,193,865,910	89.05	9,193,865,910	74.21
Shares available under the Issue Mandate	—	—	<u>2,064,827,460</u>	<u>16.67</u>
Total	<u>10,324,137,300</u>	<u>100</u>	<u>12,388,964,760</u>	<u>100</u>

Note 1: These Shares are held by Uritas Capital Strategic Partners I Limited which is a company wholly owned by Mr. Liu Andrew.

Note 2: Ms. Au Shuk Yee, Sue and Ms. Chow Ms. Au Shuk Yee, Sue and Ms. Chow Mun Yee are the executive Directors of the Company

Note 3: Assuming all Shares available under the Issue Mandate will be allotted and issued to public Shareholders other than the Directors.

Upon full utilisation of the Issue Mandate, 2,064,827,460 Shares will be issued, representing 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the Shares issued under the Issue Mandate. Assuming upon full utilisation of the Issue Mandate, the aggregate shareholding of the other public Shareholders will decrease from approximately 89.05% to approximately 74.21% upon full utilisation of the Issue Mandate. The existing public Shareholders will have a potential maximum decrease in shareholding of approximately 14.84% following the full utilisation of the Issue Mandate.

Taking into account the principal factors of the refreshment of General Mandates and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilisation of the Issue Mandate, with all other things being equal, we consider such dilution or potential dilution of shareholding of the Independent Shareholders to be acceptable.

LETTER FROM VINCO CAPITAL

RECOMMENDATION

Having taken into consideration the above principal factors and reasons regarding the refreshment of General Mandates, in particular:

- the refreshment of General Mandates can maximize the financial flexibility for any future allotment and issue up to 20% of the issued Shares as allowed under the Listing Rules, given that the Company now can allot and issue up to only approximately 13.3% of the total number of issued Shares as at the Latest Practicable Date;
- the possible profit performance of the Group for the year ended 31 March 2015 is mainly due to successful investment strategies;
- the potential positive outlook on the Hong Kong stock market may benefit the Group;
- the refreshment of General Mandates provides more flexibility and options of financing to the Company for future business opportunities which may arise occasionally; and
- the acceptable potential dilution to shareholdings of the Independent Shareholders,

We are of the opinion that the refreshment of General Mandates is in the interests of the Company and the Shareholders as a whole, and the refreshment of the General Mandates is fair and reasonable and is on the ordinary and usual course of business so far as the Shareholders are concerned. Shareholders are, however, reminded to note the potential dilution effect of the full utilisation of the Issue Mandate on their shareholding interests in the Company.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the refreshment of General Mandates to be proposed at the EGM.

Yours faithfully,
For the on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Grand Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

This section includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of the Cayman Islands. As compared with the financial position of the Company as at 31 March 2014 (being the date of its latest published audited accounts), the Directors consider that there will not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,324,137,300 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the grant of the General Mandates and the refreshment of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,032,413,730 Shares.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles of Association of the Company.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

So far as the Directors are aware based on the register maintained by the Company under the SFO as at the Latest Practicable Date, the exercise of the Repurchase Mandate in full will not give rise to any obligation on any Shareholder (and parties acting in concert with it) to make a mandatory offer under Rule 26 of the Takeovers Code.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

9. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
May	0.075A	0.060A
June	0.082A	0.065A
July	0.105A	0.077A
August	0.190A	0.093A
September	0.183A	0.130A
October	0.144A	0.109A
November	0.203A	0.118A
December	0.193A	0.112A
2015		
January	0.132	0.102
February	0.115	0.103
March	0.159	0.104
April	0.540	0.121
May	0.830	0.445
June (up to the Latest Practicable Date)	0.920	0.670

A: adjusted for the corresponding effects pursuant to: (i) bonus issue of Shares completed in September 2014; (ii) share subdivision became effective in December 2014; and (iii) bonus issue of Shares completed in December 2014.

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 IS HEREBY GIVEN that an extraordinary general meeting of Freeman Financial Corporation Limited (the “Company”) will be held at Thursday on 9 July 2015, 4:00 p.m. at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT:
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs 1(a) and (b), otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

2. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares or any other rights to subscribe shares in the capital of the Company in each case on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital of the Company which are authorised to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

3. “**THAT** conditional on the passing of the ordinary resolutions numbered (1) and (2) set out in the notice of the extraordinary general meeting at which this resolution is considered, the general mandate granted to the directors of the Company (the “Directors”) and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the resolution numbered (1) set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution numbered (2) set out in the said notice provided that the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted pursuant this resolution shall not exceed 10 per cent. of the aggregate nominal amount of share capital of the Company in issue as at the date of passing this resolution.”

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4. “THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company (the “Shares”) to be issued upon the exercise of options under the share option scheme adopted by the Company on 31 August 2012 (the “Share Option Scheme”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

By Order of the Board
Freeman Financial Corporation Limited
Lo Kan Sun
Chairman

Hong Kong, 23 June 2015

Registered office:

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

Principal place of business

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

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 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed for 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 Level 22, Hopewell Centre, 183 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 (*Chairman*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Ms. Chow Mun Yee

Independent Non-executive Directors:

Mr. Cheung Wing Ping
Mr. Chung Yuk Lun
Mr. Hung Cho Sing
Dr. Agustin V. Que