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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by the Company.

On 16 May 2012, a wholly-owned subsidiary of the Company received a letter from Allied Weli containing information about a reorganization (the “Reorganization”) pursuant to an agreement entered into between Allied Weli, HEC and HEC’s wholly-owned subsidiary on 16 May 2012.

Investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

This is a voluntary announcement made by Freeman Financial Corporation Limited (the “Company”).

On 16 May 2012, Freeman Financial Services Limited (“FFSL”), a wholly-owned subsidiary of the Company, received a letter (the “Letter”) from Allied Weli Development Limited (“Allied Weli”, formerly known as Hennabun Capital Group Limited) containing information about the Reorganization.

Prior to the Reorganization: -

1. FFSL holds approximately 32.26% shareholding interest in Allied Weli;

2. The Company holds approximately 5.26% shareholding interest in HEC Capital Limited (“HEC”); and
3. HEC indirectly holds approximately 67.74% shareholding interest in Allied Weli and is the largest single shareholder of Allied Weli.

In the Letter, Allied Weli advised FFSL that after extensive discussions between Allied Weli and HEC, they have reached agreement on their combined reorganization and an agreement had been executed between Allied Weli, HEC and HEC’s wholly-owned subsidiary on 16 May 2012.

Other material contents of the Letter include:

1. The primary objective of the Reorganization is to streamline the combined group structure of Allied Weli and HEC to enable them to be better positioned for future expansion and development. The Reorganization also provides Allied Weli and HEC more options and flexibilities if and when Allied Weli and HEC decide to list all or parts of their combined group in a public floatation;
2. The Reorganization is achieved by Allied Weli issuing certain amount of its new shares to a wholly-owned subsidiary of HEC in exchange for the same amount of HEC’s new shares (“HEC New Shares”). The shares of Allied Weli held by FFSL will be cancelled and FFSL will in turn receive the HEC New Shares;
3. Since the shares of HEC and Allied Weli are roughly equal in value, the interest of FFSL will not be altered or adversely affected. FFSL will instead hold shares in the merged entity (i.e. combined group of Allied Weli and HEC) which will have substantially better prospects with broadened appeal than before; and
4. Upon the completion of the Reorganization, HEC will hold an effective 100% shareholding interest in Allied Weli.

The Company and its subsidiaries will own approximately 27.70% shareholding interest in HEC and will not have any direct shareholding in Allied Weli upon completion of the Reorganization.

INFORMATION ON ALLIED WELI

Allied Weli is a limited company incorporated under the laws of the British Virgin Islands and an investment holding company. Its subsidiaries are principally engaged in security brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment. Allied Weli has an authorized share capital of US\$500,000,000 divided into 5,000,000,000 shares of US\$0.10 each, and an issued share capital of US\$47,873,779.30 divided into 478,737,793 shares of US\$0.10 each.

According to the consolidated statement of financial position from the management accounts of Allied Weli and its subsidiaries (collectively referred to “Allied Weli Group”) as at 31 December 2011, Allied Weli Group has consolidated net assets of approximately HK\$3,174.8 million.

INFORMATION ON HEC

HEC is a limited company incorporated under the laws of the Cayman Islands and an investment holding company. Its subsidiaries other than Allied Weli are principally engaged in property investment, investment in securities trading and money lending. HEC has an authorized share capital of HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.10 each, and an issued share capital of HK\$62,973,565.40 divided into 629,735,654 shares of HK\$0.10 each upon completion of the Reorganization.

According to the consolidated statement of financial position from the management accounts of HEC and its subsidiaries (collectively referred to “HEC Group”) as at 31 December 2011, HEC Group has consolidated net assets of approximately HK\$2,336.1 million.

INFORMATION OF THE COMPANY

The Company and its subsidiaries are 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.

The Company considered the merits of the Reorganization as stated in the Letter and is of the view that the Reorganization is in the interest of the Company and its shareholders as a whole.

Investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 May 2012

As at the date of this announcement, 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