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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 REPURCHASE OF SHARES

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.

An EGM will be convened for the Shareholders to, among other things, consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

REPURCHASE OF SHARES

In order to facilitate the Share Consolidation, the Company will use its best efforts to repurchase on the Stock Exchange and cancel three Shares prior to the effective date of the Share Consolidation. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

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 date of this announcement, 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 date of this announcement 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.

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.

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.

Details of such arrangement will be set out in the circular in relation to, among other things, the Share Consolidation to be despatched to the Shareholders as soon as practicable.

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.

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 |

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| 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 |
| 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 |

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 |

REPURCHASE OF SHARES

As at the date of this announcement, the authorised share capital of the Company was HK\$5,000,000,000 divided into 500,000,000,000 Shares of HK\$0.01 each and the issued share capital of the Company was HK\$36,766,871.13 divided into 3,676,687,113 Shares of HK\$0.01 each. In order to facilitate the Share Consolidation, the Company will use its best efforts to repurchase on the Stock Exchange and cancel three Shares prior to the effective date of the Share Consolidation. Disclosure will be made by the Company in respect of such share repurchase, if any, in accordance with the Listing Rules.

Assuming three Shares will be repurchased and cancelled by the Company and no further Shares will be issued between the date of this announcement and the effective date of the Share Consolidation, immediately upon the Share Consolidation becoming effective, based on 3,676,687,110 Shares then in issue, the issued share capital of the Company will be reduced from HK\$36,766,871.13 to HK\$36,766,871.10 divided into 735,337,422 Consolidated Shares of HK\$0.05 each.

As at the date of this announcement, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for the Shares.

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.

An EGM will be convened for the Shareholders to, among other things, consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation, together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

| | |
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| "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 |
| "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 |

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|-----------------------|---|
| "Hong Kong" | The Hong Kong Special Administrative Region of the People's Republic of China |
| "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 |
| "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 |

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

Hong Kong, 13 June 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