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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)

ANNOUNCEMENT PROPOSED DISPOSAL OF 5.31% EQUITY INTEREST IN RADFORD CAPITAL INVESTMENT LIMITED AND RESUMPTION OF TRADING

THE APPOINTMENT LETTER

The Board announces that on 28 August 2013, Smart Jump has irrevocably appointed and authorized Murtsa to sell the 9,944,375 shares of the Target Company owned by it, representing approximately 5.31% of the issued share capital of the Target Company, at the price of HK\$1.4412 per share to the Purchaser. Such appointment and authorization shall be valid and in force until 31 October 2013.

MATTERS FOLLOWING EXECUTION OF THE APPOINTMENT LETTER

On 29 August 2013, Murtsa, the Guarantor and the Purchaser entered into the Sale and Purchase Agreement. In addition, a supplemental letter (the “Supplemental Letter”) was signed by Murtsa, the Guarantor and the Purchaser on 5 September 2013. Pursuant to the Sale and Purchase Agreement, amongst other things, Murtsa conditionally agrees to sell, and to procure Smart Jump and another party to sell, and the Purchaser conditionally agrees to purchase certain shares in the Target Company (which include the Sale Shares) at the price of HK\$1.4412 per share. The consideration of the Disposal under the Sale and Purchase Agreement will be satisfied by cash upon Completion.

As at the date of this announcement, Smart Jump held 9,944,375 shares in the Target Company. The Group will cease to have any interest in the Target Company immediately after the Completion.

The Sale and Purchase Agreement is subject to the satisfaction of all conditions precedent contained therein and other completion matters contained thereunder. The Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 29 August 2013. Application has been made to the Stock Exchange for the resumption of trading in shares of the Company on the Stock Exchange from 9:00 a.m. on 6 September 2013.

THE APPOINTMENT LETTER

The Board announces that on 28 August 2013, Smart Jump has irrevocably appointed and authorized Murtsa to sell the 9,944,375 shares of the Target Company owned by it, representing approximately 5.31% of the issued share capital of the Target Company, at the price of HK\$1.4412 per share to the Purchaser. Such appointment and authorization shall be valid and in force until 31 October 2013.

Date

28 August 2013 (after trading hours)

Parties

Smart Jump
Murtsa

No fee or commission will be payable by the Group to Murtsa. Murtsa is an investment holding company and a wholly-owned subsidiary of the Guarantor. As at the date of this announcement, the Guarantor holds approximately 7.32% of the issued share capital of the Company, and the Group holds approximately 19.54% of the issued share capital of the Guarantor. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Murtsa and its ultimate beneficial owners are not connected persons of the Company.

MATTERS FOLLOWING EXECUTION OF THE APPOINTMENT LETTER

Following the appointment and authorization under the Appointment Letter, on 29 August 2013, Murtsa, the Guarantor and the Purchaser entered into the Sale and Purchase Agreement. In addition, the Supplemental Letter was signed by Murtsa, the Guarantor and the Purchaser on 5 September 2013. Pursuant to the Sale and Purchase Agreement, amongst other things, Murtsa conditionally agrees to sell, and to procure Smart Jump and another party to sell, and the Purchaser conditionally agrees to purchase certain shares of the Target Company (which include the Sale Shares) at the price of HK\$1.4412 per share. The consideration of the Disposal under the Sale and Purchase Agreement will be satisfied by cash upon Completion.

The Purchaser shall not be obliged to purchase the Sale Shares unless the sale and purchase of all (but not only some) of the shares being sold under the Sale and Purchase Agreement are completed contemporaneously at Completion.

As at the date of this announcement, Smart Jump held 9,944,375 shares of the Target Company. The Group will cease to have any interest in the Target Company immediately after the Completion.

As at the date of this announcement, the Guarantor holds 21,000,015 shares of the Company, representing approximately 7.32% of issued share capital of the Company. The Group holds approximately 19.54% of the total issued shares of the Guarantor. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Guarantor, the Purchaser and their ultimate beneficial owners are not connected persons of the Company.

Consideration and Payment under the Sale and Purchase Agreement

The consideration of the Disposal under the Sale and Purchase Agreement, being HK\$14,331,833.25 based on HK\$1.4412 per share of the Target Company, was determined after arm's length negotiation between the Vendor, the Guarantor and the Purchaser and shall be paid by the Purchaser upon Completion.

Conditions Precedent to the Sale and Purchase Agreement

The conditions precedent to the Sale and Purchase Agreement are set out as follows:

- (1) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by the closing date of the Offer in accordance with the Takeovers Code in respect of such number of shares of the Target Company (which shall exclude the shares of the Target Company being sold under the Sale and Purchase Agreement) which will result in the Purchaser holding at least 53.98% of the voting rights in the Target Company; (Please refer to the joint announcement issued by the Target Company and the Purchaser on 5 September 2013 which sets out further details of the Offer.)

- (2) the listing status of the Target Company on the Stock Exchange not being revoked or withdrawn at any time prior to Completion, and there being no indication from the Stock Exchange or SFC that the listing status of the Target Company will be suspended, cancelled, revoked or withdrawn at any time after the Completion as a result of transactions contemplated under the Sale and Purchase Agreement;
- (3) the Target Company or its subsidiaries having (i) bank deposits and cash of not less than HK\$140,000,000 maintained in one bank account with The Hongkong and Shanghai Banking Corporation Limited (free of any encumbrance and other third party rights); (ii) consolidated net assets of not less than HK\$140,000,000, as at the date of and immediately prior to Completion;
- (4) since 31 December 2012, and save as disclosed in the Target Company's announcements up to and including 26 August 2013, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Target Company or any subsidiary of the Target Company, whether or not arising in the ordinary course of business provided however that so long as the Target Company has consolidated net assets of not less than HK\$140,000,000 at the date of Completion, any change of the Target Company's consolidated net assets value since 31 December 2012 shall not, in and of itself, affect the fulfilment of this condition precedent;
- (5) no dividend or other distribution (whether in cash or in kind) having been declared, made or paid by the Target Company during the period from the date of the Sale and Purchase Agreement to the Completion Date;
- (6) the representation, warranties and undertakings of the Vendor and the Guarantor contained in the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects; and
- (7) all requisite consents, authorisations, approvals and waivers in connection with the entering into and performance of the terms of the Sale and Purchase Agreement having been obtained by Guarantor, Vendor, another shareholder of the Target Company and Smart Jump and their respective publicly listed parent companies.

If the conditions mentioned above have not been fulfilled on or before 5:00 p.m. on 31 October 2013 (or such later date as the Purchaser, the Vendor and the Guarantor may agree), the Sale and Purchase Agreement shall cease and determine and none of the parties of the Sale and Purchase Agreement shall have any obligations and liabilities towards each other save for any prior breaches of the Sale and Purchase Agreement.

The Vendor has agreed to fulfill (or procure the fulfilment of) the following at Completion, amongst others, (a) all existing margin financing arrangements between the Target Group and Chung Nam are terminated; (b) all employee contracts of the Target Group are terminated or all of the employees are resigned; (c) the lease relating to the Target Company's office entered into by the Target Group is terminated; (d) termination of services of existing directors and appointment of new directors to the Target Company; (e) certain arrangements being reached regarding the existing investment manager of the Target Company. If the foregoing is not satisfied, Completion may not take place.

Further, if there is material breach of the representations, warranties and undertakings of the Vendor and the Guarantor under the Sale and Purchase Agreement and such breach is not remedied before the Completion, the Purchaser shall be entitled to terminate the Sale and Purchase Agreement.

Completion of the Disposal under the Sale and Purchase Agreement

Completion of the Disposal under the Sale and Purchase Agreement shall take place on the Completion Date.

INFORMATION ON THE GROUP

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, the provision of corporate finance advisory services, trading of securities, provision of finance, as well as investment holding.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company and its subsidiaries are principally engaged in the investments in listed and unlisted securities in Hong Kong.

As announced by the Target Company on 7 August 2013, the Target Company's unaudited consolidated net asset value per share was approximately HK\$0.872 as at 31 July 2013, translating into a total unaudited consolidated net asset value for the Target Company of approximately HK\$163 million based on the Target Company's 187,356,123 issued shares as at 31 July 2013. The audited consolidated net loss (before and after taxation and extraordinary items) of the Target Company for the two financial years ended 31 December 2012 and 31 December 2011 and the unaudited consolidated net loss (before and after taxation and extraordinary items) of the Target Company for the six months ended 30 June 2013 (extracted from the interim results announcement for the six months ended 30 June 2013 issued by the Target Company on 23 August 2013) are set out below:

	Six months ended 30 June 2013 HK\$ (unaudited)	Financial Year ended 31 December 2012 HK\$ (audited)	2011 HK\$ (audited)
Net loss before taxation and extraordinary items	(48,193,678)	(73,744,021)	(213,916,171)
Net loss after taxation and extraordinary items	(48,193,678)	(73,744,021)	(213,916,171)

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors had taken into account the following factors prior to entering into the Appointment Letter: (i) the sale price of HK\$1.4412 per share represents a premium of approximately 77.93% to the closing price of HK\$0.81 per share of the Target Company as quoted on the Stock Exchange on 28 August 2013; (ii) the sale price of HK\$1.4412 per share represents a premium of approximately 65.28% to the net asset value per share of the Target Company of HK\$0.872 as at 31 July 2013; and (iii) the total consideration of HK\$14,331,833.25 represents a premium of approximately 89.63% to the carrying value of the Group's 5.31% interest in the Target Company of HK\$7,557,725.00 as at 31 March 2013.

The Company expects an unaudited gain of approximately HK\$6.7 million which is calculated with reference to (i) the consideration of HK\$14,331,833.25 to be received by the Company and (ii) the carrying value of approximately 5.31% shareholding interest in the Target Company of HK\$7,557,725.00 as at 31 March 2013. The actual gain to be recorded by the Group is subject to final audit to be performed by the Company's auditors. The net proceeds from selling the Sale Shares are expected to be applied for general working capital of the Group.

The terms of the Appointment Letter was determined after arm's length negotiations and based on normal commercial terms. The Directors consider that the terms of the Appointment Letter and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Sale and Purchase Agreement is subject to the satisfaction of all conditions precedent contained therein and other completion matters contained thereunder. The Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 29 August 2013. Application has been made to the Stock Exchange for the resumption of trading in shares of the Company on the Stock Exchange from 9:00 a.m. on 6 September 2013.

DEFINITIONS

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

“Appointment Letter”	the appointment and authorization letter entered into between Murtsa and Smart Jump on 28 August 2013
“Board”	the board of Directors
“business day”	a day (other than Saturday) on which the banks in Hong Kong are open for business to the public
“Chung Nam”	HEC Securities Limited
“Company”	Freeman Financial Corporation Limited (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
“Completion”	Completion of the Sale and Purchase Agreement

“Completion Date”	(i) a day falling within 2 business days after the date when all of the conditions precedent to the Sale and Purchase Agreement are satisfied or (ii) the first date any shares of the Target Company represented by acceptances in the Offer are paid for by the Purchaser, whichever is the later (or such other date as the Vendor, the Guarantor, and the Purchaser may agree provided such agreed date cannot be earlier than the first date any shares of the Target Company represented by acceptances in the Offer are paid for by the Purchaser)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	proposed disposal of the Sale Shares at the price of HK\$1.4412 per share
“Group”	the Company and its subsidiaries
“Guarantor”	HEC Capital Limited, a company incorporated in the Cayman Islands with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Offer”	the voluntary conditional cash offer made or to be made by or on behalf of the Purchaser to the shareholders of the Target Company for their shares in compliance with the Takeovers Code
“Purchaser”	Eagle Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor, the Guarantor and the Purchaser on 29 August 2013 as supplemented by the Supplemental Letter

“Sale Shares”	the 9,944,375 shares of the Target Company held by Smart Jump to be sold to the Purchaser
“SFC”	Securities and Futures Commission
“Share(s)”	the ordinary share(s) of a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	(a) holder(s) of the Shares
“Smart Jump”	Smart Jump Corporation, a company incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary (subsidiaries)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“Target Company”	Radford Capital Investment Limited (Stock Code: 901), a company incorporated in the Cayman Islands and shares of which are listed on the main board of the Stock Exchange
“Target Group”	the Target Company and its subsidiaries
“Vendor” or “Murtsa”	Murtsa Capital Management Limited, a company incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Guarantor
“%”	per cent.

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

Hong Kong, 5 September 2013

As at the date of this announcement, 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

Non-executive Directors:

Mr. Andrew Liu

Mr. Liu Kam Fai, Winston

Independent Non-executive Directors:

Mr. Cheung Wing Ping

Mr. Chung Yuk Lun

Mr. Hung Cho Sing

Dr. Agustin V. Que

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.