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FREEMAN FINANCIAL CORPORATION LIMITED

民眾金服控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

SUPPLEMENTAL AGREEMENT – PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 15 February 2016 (after trading hours), the Company and the Placing Agent entered into a Supplemental Agreement (as defined below), pursuant to which the Company and the Placing Agent agreed to vary certain terms and conditions of the Placing and the Convertible Notes by, inter alia, (i) revising the maximum principal amount of the Convertible Notes to be placed under the Placing from HK\$1,050,000,000 to HK\$600,000,000; (ii) revising the Conversion Price from HK\$0.35 to HK\$0.15 per Conversion Share; (iii) deleting the Clause 2(B)(i) “the approval by the Stock Exchange of the issue of the Convertible Notes” in the conditions precedent set out in the Placing Agreement; (iv) extending the expiry date of the Placing Period from (and including) the last Business Day before the expiry of a period of one month to two months from the date of the EGM or such later date as may be agreed between the Company and the Placing Agent; and (v) extending the long stop date for the fulfilment of the conditions precedent set out in the Placing Agreement from 31 May 2016 to 30 June 2016.

Save for the above variations, (i) there is no other material changes to the terms and conditions of the Placing and the Convertible Notes; and (ii) all other terms and conditions of the Placing Agreement shall remain unchanged and continue in full force and effect.

Completion of the Placing is subject to fulfillment of the conditions precedent under the Placing Agreement and the Supplemental Agreement and the parties’ rights to terminate under the terms and conditions of the Placing Agreement and the Supplemental Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 9 December 2015 (the “Announcement”) in relation to the Placing of Convertible Notes under Specific Mandate. Terms as defined in the Announcement shall, unless otherwise stated, have the same meaning when used herein.

On 15 February 2016 (after trading hours), the Company and the Placing Agent entered into a supplemental agreement (the “Supplemental Agreement”), pursuant to which the Company and the Placing Agent agreed to vary certain terms and conditions of the Placing and the Convertible Notes by, inter alia, (i) revising the maximum principal amount of the Convertible Notes to be placed under the Placing from HK\$1,050,000,000 to HK\$600,000,000; (ii) revising the Conversion Price from HK\$0.35 to HK\$0.15 per Conversion Share; (iii) deleting the Clause 2(B)(i) “the approval by the Stock Exchange of the issue of the Convertible Notes” in the conditions precedent set out in the Placing Agreement; (iv) extending the expiry date of the Placing Period from (and including) the last Business Day before the expiry of a period of one month to two months from the date of the EGM or such later date as may be agreed between the Company and the Placing Agent; and (v) extending the long stop date for the fulfilment of the conditions precedent set out in the Placing Agreement (the “Long Stop Date”) from 31 May 2016 to 30 June 2016 (the “Amendments”).

In the view of the recent volatility in the Hong Kong and global stock markets over the past few months, the closing price as quoted on the Stock Exchange at the date of this announcement is HK\$0.20 per Share representing a drop of approximately 57.4% as compared with the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on 9 December 2015, being the date of the Placing Agreement. The expiry date of the Placing Period will be extended from (and including) the last Business Day before the expiry of a period of one month to two months from the date of the EGM or such later date as may be agreed between the Company and the Placing Agent. This is to allow more time for the Placing Agent to procure Subscribers in light of the current market conditions.

Also in light of the current market conditions, the maximum principal amount of the Convertible Notes to be placed under the Placing will be revised from HK\$1,050,000,000 to HK\$600,000,000, and the Conversion Price will be revised from HK\$0.35 to HK\$0.15 per Conversion Share.

The revised Conversion Price at HK\$0.15 per Conversion Share represents:

- (i) a discount of approximately 25.0% over the closing price of HK\$0.20 per Share as quoted on the Stock Exchange at date of this announcement;
- (ii) a discount of approximately 40.0% over the average closing price of approximately HK\$0.25 per Share for the last five consecutive trading days up to and including the date of this announcement;

As a result of the aforesaid amendments, the number of the Conversion Shares to be issued upon full exercise of the conversion rights attached to the Convertible Notes will be changed from 3,000,000,000 Conversion Shares to 4,000,000,000 Conversion Shares. Such 4,000,000,000 Conversion Shares represent approximately 38.7% of the existing issued share capital of the Company, and 27.9% of the issued share capital of the Company as enlarged by the issue of 4,000,000,000 Conversion Shares.

In addition, the condition precedent of the Placing set out in Clause 2(B)(i) of the Placing Agreement being:-

(i) the approval by the Stock Exchange of the issue of the Convertible Notes,

will be wholly deleted from the Placing Agreement as it shall no longer be applicable to the Placing.

As additional time is required for fulfilling the conditions precedent set out in the Placing Agreement, the Long Stop Date will be extended from 31 May 2016 to 30 June 2016.

Save for the above variations, (i) there is no other material changes to the terms and conditions of the Placing and the Convertible Notes; and (ii) all other terms and conditions of the Placing Agreement shall remain unchanged and continue in full force and effect.

The Company considers that the Amendments could better reflect the current market conditions and allow the Placing Agent to procure, on a best effort basis, the Subscribers to subscribe for the Convertible Notes at the revised Conversion Price at HK\$0.15 per Conversion Share. The Directors are of the view that the Amendments were determined after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole. It is expected that the Amendments will not have any material adverse effect on the Company, including the ability of the Company to pay the subscription money in respect of the JV Securities Company.

The circular containing, among other things, further details of the Placing, the Convertible Notes and the Specific Mandate to be sought, together with the notice of EGM, will be despatched to Shareholders as soon as possible.

Completion of the Placing is subject to fulfillment of the conditions precedent under the Placing Agreement and the Supplemental Agreement and the parties' rights to terminate under the terms and conditions of the Placing Agreement and the Supplemental Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 15 February 2016

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

Independent Non-executive Directors:

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