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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)

RE-DESIGNATION OF DIRECTOR AND APPOINTMENT OF A NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD

The Board announces that with effect from 18 July 2016:

- (1) Mr. Lo Kan Sun has been re-designated as Chief Operating Officer and remains as an Executive Director of the Company; and
- (2) Mr. Zhang Yongdong has been appointed as a Non-executive Director and Chairman of the Board.

RE-DESIGNATION OF DIRECTOR

The Board of Directors (the “Board”) of Freeman Financial Corporation Limited (the “Company”, together with its subsidiaries as the “Group”) announces that Mr. Lo Kan Sun (“Mr. Lo”) has been re-designated from Chairman of the Board to Chief Operating Officer with effect from 18 July 2016 as he will devote more time on the Group’s proprietary trading business. Mr. Lo will remain as an Executive Director of the Company. Mr. Lo joined the Company as Executive Director in June 2008 and was re-designated as Managing Director in November 2008. He was promoted as Acting Chairman in July 2012 and as Chairman of the Board in July 2013.

Mr. Lo, aged 62, holds a Master’s degree in Business Administration from Indiana University in the United States of America (the “USA”) and a Bachelor’s degree in Electrical Engineering from University of Illinois, the USA. Mr. Lo has over 30 years of experience in finance, investment and banking in Hong Kong and Canada. Mr. Lo did not hold any directorships in any listed public companies in the last three years.

Mr. Lo has not entered into any service contract with the Company in relation to his re-designation as Chief Operating Officer and has no fixed term of service with the Company. Mr. Lo is entitled to a remuneration of HK\$84,000 per month which is determined with reference to his duties and responsibilities and the prevailing market conditions. Mr. Lo also acts as Director of the Company's subsidiaries.

Mr. Lo is not related to any Director, senior management, substantial shareholder or controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company. Mr. Lo does not have any interests in the shares of the Company which is required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules relating to the re-designation of Mr. Lo as Chief Operating Officer and there is no other matters that need to be brought to the attention of the shareholders of the Company (the "Shareholders").

Mr. Lo confirmed to the Company that he has no disagreement with the Board and he is not aware of any matters in relation to his re-designation as Chief Operating Officer that need to be brought to the attention of the Shareholders.

APPOINTMENT OF A NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD

The Board also announces that Mr. Zhang Yongdong ("Mr. Zhang") has been appointed as a Non-executive Director and Chairman of the Board with effect from 18 July 2016.

Mr. Zhang, aged 40, is the chairman and the CEO of Hawking Capital Management Group Limited and the chairman of Oriental Enterprise Group Limited. He has over 18 years' experience in investment, finance and management as well as extensive experience in corporate merger and acquisition and investment related business. For social services, Mr. Zhang serves as the vice chairman of the Federation of Hong Kong Jiangsu Youth. Mr. Zhang was (i) the chairman and a non-executive director of KFM Kingdom Holdings Limited (stock code: 3816) during 13 January 2016 to 15 July 2016; (ii) a non-executive director of SMI Holdings Group Limited (stock code: 198) during 1 July 2015 to 2 June 2016 and; (iii) the chairman and an executive director of Mason Financial Holdings Limited (stock code: 273) during 1 August 2015 to 26 April 2016. All these companies are listed on the main board of The Stock Exchange of Hong Kong Limited. Save as disclosed above, Mr. Zhang does not hold any other positions with the Company and its subsidiaries as the date of this announcement, and he has not held directorships in any other public companies in the last three years in Hong Kong or overseas.

Mr. Zhang has informed the Board that on 21 September 2015, the China Securities Regulatory Commission (the “CSRC”) has issued an administrative penalty decision (the “CSRC Decision”) against him. Based on the published information in the CSRC Decision, CSRC found Mr. Zhang was involved in certain actions of manipulating securities markets in 2012 (the “Acts”) which were in breach of the Securities Law of the People’s Republic of China (the “PRC”). Penalties were imposed by the CSRC against Mr. Zhang, which included confiscation of gains from the Acts and a fine in the amount of RMB686,122.14. The CSRC Decision can be found in http://www.csrc.gov.cn/pub/zjhpublic/G00306212/201512/t20151201_287439.htm.

Mr. Zhang has confirmed to the Company that the fine imposed under the CSRC Decision was duly paid in full and on time. Also, Mr. Zhang has confirmed to the Company that, other than the CSRC Decision, he has never been adjudged by any courts or competent authorities in violation of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or future exchange at any time.

The major roles of the Chairman of the Board are to provide leadership to the Board and to ensure the Board works effectively, discharge its responsibility properly, and good corporate governance practice and procedures are in force from time to time. The Board considers that with Mr. Zhang’s extensive experience in the field of corporate merger and acquisition and investment related business, and also his invaluable credentials and business networks in the PRC, appointment of Mr. Zhang as a Non-executive Director and Chairman of the Board could bring new diversity to the Board and he can lead the Company to build constructive relationships with business partners and explore new business opportunities for the Group’s future growth in the financial services sector, especially in the PRC, which is in the best interests of the Company and the Shareholders as a whole.

Mr. Zhang is entitled to a director’s fee of HK\$240,000 per annum as determined by the Board with reference to his background, experience, duties and responsibilities with the Company and the prevailing market conditions. He has not yet entered into any service contract with the Company in relation to his appointment as a Non-executive Director of the Company. He has no specific term of service with the Company and will hold office until the forthcoming annual general meeting of the Company at which he will be eligible for re-election. Thereafter, he will be subject to rotation requirements and re-election pursuant to the Articles of Association of the Company.

Mr. Zhang does not have any relationship with any director, senior management, substantial shareholder (save as disclosed hereinafter) or controlling shareholder (as defined in the Listing Rules) of the Company. As at the date of this announcement, Mr. Zhang is interested in 4,000,000,000 shares of the Company, representing approximately 27.92% of the issued share capital of the Company, through a company named “Galaxy Strategic Investment Co. Ltd.”, of which 100% shareholding is owned by Mr. Zhang. Save as disclosed herein, Mr. Zhang does not have any other interests in the shares of the Company which is required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules relating to the appointment of Mr. Zhang as a Non-executive Director of the Company and there is no other matter that needs to be brought to the attention of the Shareholders.

The Board would like to extend a warm welcome to Mr. Zhang in joining the Company and would like to thank Mr. Lo for his past contributions during his tenure of services as Chairman of the Board.

By order of the Board
Freeman Financial Corporation Limited
Lo Kan Sun
Chief Operating Officer

Hong Kong, 18 July 2016

As at the date of this announcement, the Board comprises the following Directors:–

Executive Directors:

Mr. Lo Kan Sun (*Chief Operating Officer*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Ms. Chow Mun Yee

Non-executive Director:

Mr. Zhang Yongdong (*Chairman*)

Independent Non-executive Directors:

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