
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Freeman Financial Corporation Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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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)**

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES,
GENERAL MANDATE TO REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Freeman Financial Corporation Limited to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Friday, 31 August 2012 at 4:30 p.m. is set out on pages 26 to 31 of this circular.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meetings in person if you so wish.

25 July 2012

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context requires otherwise:

“Adoption Date”	the date on which the proposed New Share Option Scheme is adopted by ordinary resolution of the Company in general meeting, a notice of which is set out herein
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Friday, 31 August 2012 at 4:30 p.m., the notice of which is set out on pages 26 to 31 of this circular
“Articles”	the Articles of Association of the Company
“associate”	the meaning ascribed thereto in Rule 1.01 of the Listing Rules
“Auditors”	at any time means the auditors of the Company for the time being of the Company at that time
“Board”	the board of Directors of the Company
“Company”	Freeman Financial Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Date of Grant”	in respect of an Option, the business day on which the Board resolves to make an Offer to a Participant
“Directors”	the directors of the Company
“Existing Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 23 August 2002
“Grantee”	any Participant who accepts the offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“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
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot and issue Shares in the manner as set out herein

DEFINITIONS

“Latest Practicable Date”	20 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	a share option scheme of the Company to be adopted by the Company and to be approved by the Shareholders at the AGM, a summary of its principal terms is set out in Appendix II of this circular
“Offer”	the date on which the grant of an Option is offered to a Participant pursuant to the New Share Option Scheme
“Option(s)”	an option (or options) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	a period to be notified by the Board to each Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant
“Participant”	any Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) of the Group and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers to the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out herein
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of a par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	(a) holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lo Kan Sun (*Acting Chairman*)
Mr. Hui Quincy Kwong Hei (*Managing Director*)
Ms. Au Shuk Yee, Sue
Mr. Scott Allen Phillips
Ms. Chow Mun Yee

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Andrew Liu
Mr. Liu Kam Fai, Winston

Principal Place of Business

in Hong Kong:

Room 2302, 23rd Floor,
China United Centre
28 Marble Road
North Point
Hong Kong

Independent Non-executive Directors:

Mr. Gary Drew Douglas
Mr. Peter Temple Whitelam
Dr. Agustin V. Que
Mr. Frank H. Miu

25 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES,
GENERAL MANDATE TO REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to, inter alia, (i) the granting to the Directors of a general mandate to issue Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution at the AGM; (ii) the granting to the Directors of a general mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share

LETTER FROM THE BOARD

capital of the Company as at the date of passing of the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; (vi) the adoption of New Share Option Scheme; and (v) the re-election of Directors.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue and repurchase Shares will expire at the conclusion of the forthcoming AGM. The Directors intend to put forward to the Shareholders ordinary resolutions at the AGM to renew the general mandates so as to give Directors general authority:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

As at the Latest Practicable Date, the total number of issued Shares was 735,337,422. Assuming that no further Shares are repurchased or issued between the Latest Practicable Date and the date of the AGM, subject to the approval of the Issue Mandate by the Shareholders, the Company would be allowed to issue a maximum of 147,067,484 Shares under the proposed Issued Mandate.

A separate ordinary resolution will also be proposed at the AGM to add those Shares repurchased by the Company pursuant to the Repurchase Mandate to the Issue Mandate.

An explanatory statement as required under the Listing Rules to provide the requisite information in relation to the Repurchase Mandate is set out in Appendix I of this circular.

ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 23 August 2002. Pursuant to the Existing Share Option Scheme, the Directors were authorised to grant to eligible persons share options to subscribe for Shares in the capital of the Company. The Existing Share Option Scheme has a term of ten years and will expire on 22 August 2012. Upon expiration of the Existing Share Option Scheme, no further options may be granted thereunder. As at the Latest Practicable Date, there are no options under the Existing Share Option Scheme or any other schemes of the Company granted which remain outstanding or unexercised.

In regard of the Existing Share Option Scheme which will be expiring on 22 August 2012, the Directors wish to seek Shareholders' approval for the New Share Option Scheme.

LETTER FROM THE BOARD

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the principal place of business of the Company at Room 2302, 23rd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong during normal business hours for a 14-day period immediately preceding the AGM.

The coming into effect of New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM by the Shareholders necessary to approve and adopt the New Share Option Scheme and to authorise the Directors to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Shares to be issued upon the exercise of the Options representing 10 per cent. of the issued share capital of the Company as at the date of the AGM.

If all of the above conditions are not satisfied on or before the date following 30 days after the Adoption Date, the New Share Option Scheme will determine immediately, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme.

As at the Latest Practicable Date, there were 735,337,422 Shares in issue. Assuming that there are no further allotment of Shares from the Latest Practicable Date up to the date of approval of the New Share Option Scheme, options to subscribe for up to 73,533,742 Shares may be issued under the New Share Option Scheme (upon the New Share Option Scheme becoming effective) pursuant to Rule 17.03(3) of the Listing Rules, representing 10% of Shares in issue as at the date of approval of the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Options' value have not been determined. Such variables include the exercise price, exercise period, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

No Shareholder is required to abstain for voting of the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

APPLICATION FOR LISTING

An application will be made to the Listing Committee of the Stock Exchange for any options that may be granted under the New Share Option Scheme and the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any options that may be granted under the New Share Option Scheme up to 10% of the Shares in issue as at the date of approval of the New Share Option Scheme (the “General Scheme Limit”).

REASONS FOR ADOPTING THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme will expire on 22 August 2012. The Directors consider that it is appropriate to adopt the New Share Option Scheme. The Directors consider that the New Share Option Scheme, which will be valid for ten years from the date of its adoption, will provide the Company with more flexibility in long term planning of granting of the share options to eligible persons in a longer period in the future. The New Share Option Scheme also provides appropriate incentives or rewards to eligible persons for their contributions or potential contributions to the Group. The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, advisors and shareholders of the Group and to promote the success of the business of the Group.

The New Share Option Scheme also expressly provides that, the Board may, with respect to each grant of Options, determine the Exercise Price (being not less than the minimum price specified in the Listing Rules), the conditions precedent and any performance targets that apply to the Options. The Directors believe the New Share Option Scheme will provide the Board with flexibility in determining the applicable performance targets and any other conditions to which the specific grant of Options may be subject on a case-by-case basis, and thus will place the Group in a better position to attract human resources that are valuable to the long term growth and development of the Group. There are no businesses or interests of the Directors that compete or may compete with the business of the Group.

RE-ELECTION OF DIRECTORS

Pursuant to Article 112 of the Articles, Mr. Lo Kan Sun, Ms. Au Shuk Yee, Sue, Mr. Gary Drew Douglas and Mr. Peter Temple Whitelam will retire and, being eligible, offer themselves for re-election at the AGM.

Pursuant to Article 95 of the Articles, Mr. Frank H. Miu (who is additional director appointed during the year) will retire by rotation and, being eligible, offer himself for re-election at the AGM.

Details of the Directors proposed for re-election at the AGM are set out in the Appendix III of this circular.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out on pages 26 to 31 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you should complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

No Shareholder is required to abstain for voting of the refreshment of the Issue Mandate and the Repurchase Mandate and the re-election of Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors are of the opinion that the refreshment of the Issue Mandate and the Repurchase Mandate, the adoption of the New Share Option Scheme and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole, and so recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

This section includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of the Cayman Islands. As compared with the financial position of the Company as at 31 March 2012 (being the date of its latest audited accounts), the Directors consider that there will not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing ratio which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 735,337,422 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 73,533,742 Shares.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the Memorandum and Articles of Association of the Company.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the Repurchase Mandate are illustrated as follows:

	As at the Latest Practicable Date		Immediately after full exercise of the Repurchase Mandate	
	Number of issued Shares held	Approximate %	Number of issued Shares held	Approximately %
Substantial Shareholders				
Willie International Holdings Limited	113,128,834	15.38%	113,128,834	17.09%
Chung Eugene Yue-Chien	94,897,200	12.91%	94,897,200	14.34%
Directors				
Andrew Liu	124,094,235	16.88%	124,094,235	18.75%
Au Shuk Yee, Sue	819,480	0.11%	819,480	0.12%
Chow Mun Yee	672,000	0.09%	672,000	0.10%
Gary Drew Douglas	472,000	0.06%	472,000	0.07%
Frank H. Miu	472,000	0.06%	472,000	0.07%
Other Shareholders	<u>400,781,673</u>	<u>54.51%</u>	<u>327,247,931</u>	<u>49.46%</u>
	<u><u>735,337,422</u></u>	<u><u>100.00%</u></u>	<u><u>661,803,680</u></u>	<u><u>100.00%</u></u>

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

So far as is known to, or can be ascertained after reasonable enquiry by, the Directors, there was no other person who was entitled to exercise, or control the exercise of, 10 per cent or more of the voting power at any general meeting of the Company as at the Latest Practicable Date. Based on such shareholding structure as illustrated hereinabove and assuming there are no alterations to the existing shareholding in the Company, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate. Further, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as would result in the number of Shares being held by the public falling below the relevant minimum prescribed percentage pursuant to Rules 8.08 of the Listing Rules, which is currently 25 per cent of the entire issued share capital of the Company.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the year, the Company repurchased the following shares on the Stock Exchange:

Date of Repurchase	No. of Shares Repurchased	Price per Share		Total Consideration (excluding expenses)
		Highest HK\$	Lowest HK\$	
7 February 2012 (cancelled on 9 February 2012)	1	0.051	0.051	0.051
9 July 2012 (cancelled on 12 July 2012)	3	0.033	0.033	0.099

Save as disclosed herein, neither the Company nor any of its subsidiaries repurchased any of its securities in the previous six months (whether on the Stock Exchange or otherwise) immediately preceding the Latest Practicable Date.

9. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2011		
July	1.460A	1.300A
August	1.365A	0.850A
September	0.960A	0.635A
October	0.790A	0.600A
November	0.760A	0.550A
December	0.650A	0.550A
2012		
January	0.825A	0.540A
February	0.800A	0.650A
March	0.790A	0.625A
April	0.825A	0.635A
May	0.870A	0.220A
June	0.230A	0.150A
July (up to the Latest Practicable Date)	0.260	0.155

A = adjusted for the corresponding effects pursuant to: (i) a capital reorganisation became effective in March 2012, (ii) rights issue completed in May 2012; and/or (iii) a share consolidation became effective in July 2012

The followings is a summary of the principal terms of the New Share Option Scheme.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

2. PARTICIPANTS

The categories of the Participant under the New Share Option Scheme are any Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) of the Group and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers (“Other Participants”) to the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The scope of Participants under the New Share Option Scheme encompasses Other Participants is with an aim to attract, retain and maintain on-going business relationship with the Other Participants whose contributions are or will be beneficial to the long term growth of the Group which would enhance the value of the Company and its Shares on the basis of the Board’s discretion with reference to their history, business relationship and contributions with/to the Group.

3. MAXIMUM NUMBER OF SHARES

The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent. in nominal amount of the issued share capital of the Company from time to time (“Scheme Limit”).

- (i) The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) exceed 10 per cent. in nominal amount of the issued share capital of the Company on the Adoption Date (the “Scheme Mandate Limit”). Option lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Scheme Mandate Limit referred to in paragraph 3(i) may be renewed at any time subject to prior Shareholders’ approval but in any event shall not exceed 10 per cent. of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Option previously granted under the New Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

- (iii) The Company may grant Options beyond the Scheme Mandate Limit to Participants if:
 - (a) the Company has first sent a circular to Shareholders containing a generic description of the specified Participants in question, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and
 - (b) separate Shareholder's approval has been obtained.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The maximum number of Shares in respect of which Options may be granted to a specifically identified single Grantee under the New Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1 per cent. of the Shares in issue (the "Individual Limit"). The Company may grant Options beyond the Individual Limit to a Participant at any time if:

- (i) the Company has first sent a circular to Shareholders containing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant); and
- (ii) separate Shareholder's approval has been obtained in general meeting with the proposed relevant Grantee (as the case may be) and his associates abstaining from voting.

5. PERIOD OF THE NEW SHARE OPTION SCHEME

The Option Period is a period to be notified by the Board to each Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant.

6. GRANT OF OPTIONS

- (i) On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select to take up an Option pursuant to which such Participant may, during the Option Period, subscribe for such number of Shares as the Board may determine at the Subscription Price. The Offer shall specify the terms on which the Option is to be granted. Such terms may at the discretion of the Board, include (i) a minimum period for which an Option must be held before it can be exercised and/ or (ii) a performance target that must be reached, before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. There are no minimum holding period for which an Option must be held before it can be exercised nor performance targets that need to be met before a grantee is entitled to exercise an Option duly granted under the New Share Option Scheme.

- (ii) An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of 28 days from the Date of Grant.
- (iii) No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.

7. GRANT OF OPTIONS TO CONNECTED PERSONS

Each grant of Options to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of the Option or an associate thereof). Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1 per cent. (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other amount as may from time to time be specified by the Stock Exchange), such grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll) on which all connected persons of the Company shall abstain from voting in favour but (for the avoidance of doubt), any connected person may without affecting the validity of the relevant resolution vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

8. TIME OF ACCEPTANCE AND PAYMENT ON ACCEPTANCE

An Offer shall be deemed to have been accepted and an Option shall be deemed to have been granted and accepted and shall take effect when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

9. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the greater of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant;

- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and

- (iii) the nominal value of a Share.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and shall rank pari passu in all respects with the fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

11. DURATION OF THE NEW SHARE OPTION SCHEME

Subject to the provisions of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “ten-year” period), after which period no further Options shall be offered or granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

12. EXERCISE OF OPTIONS

- (i) An Option may, subject to the provisions of paragraph 15, be exercised in whole or in part in the manner set out in paragraph 12(ii) by the Grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company pursuant to paragraph 14, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid and issue to the Grantee (or his legal personal representative(s)) share certificates in respect of the Shares so allotted.

- (ii) Subject to the provisions of paragraph 15 and to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
 - (a) in the event of the Grantee ceasing to be a Participant by reason of his death, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent not already exercised) within the period of 12 months following his death provided that where any of the events set out in paragraphs 12(ii)(e), (f), (g) and (h) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option within such of the various periods respectively set out in such paragraphs provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph 13(vi) which would have entitled the Company to terminate his employment prior to his death, the Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and the Company shall return to him the amount of the Subscription Price for the Shares in respect of the purposed exercise of such Option;

- (b) in the event of a Grantee who is an employee or a director of the Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph 13(vi), the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment (which date shall be the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall cease to be exercisable provided that the Board one month from the date of such cessation otherwise determines that the Option (or such remaining part thereof) shall become exercisable within such period as the Board may determine following the date of such cessation;
- (c) in the event of a Grantee who is not an employee or a director of the Company or another member of the Group ceasing to be a Participant as and when determined by the Board by resolution for any reason other than his death the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation;
- (d) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph 13(vi) and the Grantee has exercised the Option in whole or in part pursuant to the New Share Option Scheme, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option;
- (e) if a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 12(ii)(f) below) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option at any time within such period as shall be notified by the Board;
- (f) if a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Board) exercise the Option;

- (g) in the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option; and
- (h) In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 12(ii)(f) above, between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

13. LAPSE OF OPTIONS

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period (subject to the provisions of the New Share Option Scheme);
- (ii) the expiry of the periods referred to in paragraph 12;
- (iii) the expiry of the period referred to in paragraph 12(ii)(e) provided that if any court of competent jurisdiction makes an order the effect of which is to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the offer lapses or is withdrawn before that date;
- (iv) subject to the scheme of arrangement (referred to in paragraph 12(ii)(f) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 12(ii)(f);
- (v) the date of the commencement of the winding-up of the Company;

- (vi) the date on which the Grantee (if an employee or director of the Company or another member of the Group) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 13(vi) shall be conclusive;
- (vii) the date on which the Grantee commits a breach of paragraph 18; and
- (viii) subject to paragraph 12(ii)(b), the date the Grantee, ceases to be a Participant for any other reason.

14. ADJUSTMENTS TO THE SUBSCRIPTION PRICE OR NUMBER OF SECURITIES

In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company, other than any alternation in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall comply with the relevant requirements of Chapter 17 of the Listing Rules and shall be made in:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; and
- (ii) the Subscription Price,

or any combination thereof as the Auditors or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee to be in their opinion fair and reasonable provided that any such adjustments give a Grantee the same proportion of equity capital of the Company as to which that Grantee was previously entitled but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the independent financial adviser to the Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be borne by the Company.

15. CANCELLATION OF OPTION

- (i) Notwithstanding any other provision of the New Share Option Scheme, the Board shall be entitled at its absolute discretion at any time and from time to time to cancel any Option, either in whole or in part, after notice of a valid exercise thereof has been given by the Grantee but before the Company has issued and allotted any Shares pursuant to the exercise of that Option, by giving notice in writing to the Grantee stating that such Option is thereby cancelled.

- (ii) If any Option shall be cancelled pursuant to paragraph 15(i), the Grantee shall, subject as provided in the New Share Option Scheme, be entitled to be paid by the Company a refund of the Subscription Price paid on a valid exercise of such Option together with an additional payment in cash to compensate him for such cancellation, calculated in accordance with the formula below. Such refund and payment shall be made within 14 business days of the Company giving notice of such cancellation and once such refund and payment has been made by the Company, the Grantee shall have no other claim against the Company in connection with any Option so cancelled. The amount of payment shall be calculated by reference to the following formula:

$$(A \times B) - C$$

where

- A: is the number of Shares that would have been issued on exercise of the Option (the “Applicable Shares”);

- B: is the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days on which the Stock Exchange is open for business last preceding the date the Company receives notice of exercise of the Option; and

- C: is the aggregate Subscription Price for the Applicable Shares,

provided that if the calculation shall result in a negative figure it shall be deemed to zero.

16. STATUS

The Share issued on exercise of Options shall be identical to the then issued Shares.

17. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by ordinary resolution in general meeting or by resolution of the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options which are granted during the life of the New Share Option Scheme and remain unexpired immediately prior to the termination of the operation of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.

18. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee without incurring any liability on the part of the Company.

19. ALTERATION OF THE NEW SHARE OPTION SCHEME

Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the Board in relation to any alteration of the terms of the New Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

20. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect shall be final and binding on all parties.

The followings are the particulars of the Directors proposed for re-election at the Annual General Meeting.

EXECUTIVE DIRECTORS

Mr. Lo Kan Sun (“Mr. Lo”), aged 58, joined the Company as Executive Director in June 2008 and was re-designated as Managing Director in November 2008. Mr. Lo was promoted as Acting Chairman in July 2012. Mr. Lo 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 28 years of experience in finance, investment and banking in Hong Kong and Canada.

Mr. Lo did not hold directorship in any other listed public companies in the last three years. Mr. Lo is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Lo does not have any interests in the Shares which is required to be disclosed under Part XV of the SFO.

Mr. Lo did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Lo has received a remuneration of approximately HK\$1,092,000 for the year ended 31 March 2012, which was determined in accordance with his experience and contributions to the Company.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules relating to the re-election of Mr. Lo and there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Au Shuk Yee, Sue (“Ms. Au”), aged 47, joined the Company as Executive Director in June 2006. Ms. Au has obtained a bachelor’s degree of science in accounting from Liberty University, Virginia and has more than 10 years of experience in business administration and accounting. Previously, Ms. Au was the managing director of a telecommunication equipment manufacturing and trading company and was the Chief Executive Officer of a listed company before joining the Company.

Ms. Au did not hold directorship in any other listed public companies in the last three years. Ms. Au is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Ms. Au has a corporate interest of 819,400 Shares within the meaning of Part XV of the SFO.

Ms. Au did not enter into any service contract with the Company and her appointment as a Director is subject to the rotational retirement requirements under the Articles. Ms. Au has received a remuneration of approximately HK\$755,000 for the year ended 31 March 2012, which was determined in accordance with her experience and contributions to the Company.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules relating to the re-election of Ms. Au and there is no other matter that needs to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gary Drew Douglas (“Mr. Douglas”), aged 62, joined the Company as Independent Non-executive Director in February 2006. Mr. Douglas holds a Master’s Degree in Business Administration from University of Santa Clara, the USA. Mr. Douglas has over 20 years of professional experience in general management, IT business, project management, and commercial and retail banking in Japan and the USA. From June 2011 to October 2011, Mr. Douglas was appointed as an independent non-executive director of Radford Capital Investment Limited (“Radford”) which is a company listed on the main board of the Stock Exchange. Mr. Douglas is presently the managing director of Dragonite International Limited (“Dragonite”) and an independent non-executive director of Willie International Holdings Limited, both companies are listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. Douglas did not hold directorship in any other listed public companies in the last three years. Mr. Douglas is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Douglas has a corporate interest of 472,000 Shares within the meaning of Part XV of the SFO.

Mr. Douglas did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Douglas has received a remuneration of approximately HK\$135,000 for the year ended 31 March 2012, which was determined in accordance with his experience and contributions to the Company.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules relating to the re-election of Mr. Douglas and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Peter Temple Whitelam (“**Mr. Whitelam**”), aged 83, joined the Company as Independent Non-executive Director in November 2006 and chairman of remuneration committee and nomination committee in September 2010 and March 2012. Mr. Whitelam is a specialist consultant in global branding and international communications. After graduating from Pembroke College, Oxford University, Mr. Whitelam joined the BBC before winning a Fulbright Scholarship to study educational radio and television in the United States where he gained a Master of Science degree from Boston University. Following four years at NBCTV in New York, Mr. Whitelam began a long career in advertising, creating national and international campaigns for such clients as British Airways, Unilever, Nabisco, ESPN, Colgate, Cadbury, General Motors, American Express, Nomura Securities, and the Bank of Montreal. Mr. Whitelam has worked as a creative strategist in Boston, New York, London, Montreal, Toronto, Tokyo and Taiwan and received international awards for his ideas. Recently Mr. Whitelam has been developing brand strategies both for companies and government agencies. Mr. Whitelam has a long time acquaintance with Asia, having visited and worked in eight different countries in the Asia Pacific region. Mr. Whitelam is the chairman of the board of directors of Mascotte Holdings Limited which is a listed public company in Hong Kong.

Save as disclosed above, Mr. Whitelam did not hold directorship in any other listed public companies in the last three years. Mr. Whitelam is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Whitelam does not have any interests in the Shares which is required to be disclosed under Part XV of the SFO.

Mr. Whitelam did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Whitelam has received a remuneration of approximately HK\$120,000 for the year ended 31 March 2012, which was determined in accordance with his experience and contributions to the Company.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules relating to the re-election of Mr. Whitelam and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Frank H. Miu (“**Mr. Miu**”), aged 63, joined the Company as Independent non-executive Director and chairman of audit committee in December 2011. Mr. Miu holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John’s University of Minnesota. Mr. Miu is a member of the American Bar Association and the American Institute of Certified Public Accountants. Mr. Miu is also a Fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, Mr. Miu has extensive exposure to various industries including financial services. Mr. Miu is a former executive director during the period from March 2009 to December 2009 of Radford which is a company listed on the main board of Stock Exchange and served again in June and July 2011 as the executive director and managing director of Radford. Mr. Miu is also a former executive director during the period from April 2010 to May 2010 of Dragonite which is a company listed on the main board of the Stock Exchange, and a former non-executive director during the period from May 2010 to July 2011 of Dragonite. Mr. Miu is currently an independent non-executive director of Mascotte Holdings Limited, Willie International Holdings Limited and Tack Fiori International Groups Limited, and all of these companies are companies listed on the main board of the Stock Exchange. Aside from directorships in the aforesaid public companies listed on the Stock Exchange, Mr. Miu is also an independent non-executive director of Duoyuan Global Water Inc., a public company listed on New York Stock Exchange.

Save as disclosed above, Mr. Miu did not hold directorships in any other listed public companies in the last three years. Mr. Miu is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Miu has a corporate interest of 472,000 Shares within the meaning of Part XV of the SFO.

Mr. Miu did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirement under the Articles. Mr. Miu has received a remuneration of approximately HK\$50,000 for the year ended 31 March 2012, which was determined in accordance with his experience and contributions to the Company.

Save as disclosed herein, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules relating to the re-election of Mr. Miu and there is no other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Freeman Financial Corporation Limited (the “Company”) will be held at 4:30 p.m. on Friday, 31 August 2012 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company together with Reports of the Directors and the Auditors for the year ended 31 March 2012.
2. To re-elect Mr. Lo Kan Sun as an Executive Director of the Company.
3. To re-elect Ms. Au Shuk Yee, Sue as an Executive Director of the Company.
4. To re-elect Mr. Gary Drew Douglas as an Independent Non-executive Director of the Company.
5. To re-elect Mr. Peter Temple Whitlam as an Independent Non-executive Director of the Company.
6. To re-elect Mr. Frank H. Miu as an Independent Non-executive Director of the Company.
7. To authorise the Board to fix the remuneration of Directors of the Company.
8. To re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the Board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, passing the following resolutions as ordinary resolutions:

9. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable law or the Articles of Association of the Company to be held; and
- (c) the revocation on variation of the authority given under the resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

10. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares or any other rights to subscribe shares in the capital of the Company in each case on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (iii) the aggregate nominal amount of share capital of the Company which are authorised to be repurchased by the Directors of the Company pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (c) the revocation or variation of the authority given under the resolution by an ordinary resolution of the shareholders of the Company in general meeting.

11. **“THAT** conditional on the passing of the Resolutions numbered 9 and 10 set out in the notice of the annual general meeting at which this Resolution is considered, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the Resolution No. 9 set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company, which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution No. 10.”

12. **“THAT**

- (i) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of share options which may be granted under the new share option scheme of the Company (the “New Share Option Scheme”) (a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the meeting for identification purpose), the New Share Option Scheme be and is hereby approved and adopted to be the share option scheme of the Company and that the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme, notwithstanding that they or any of them may be interested in the same;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) subject to and conditional upon the passing of the Resolution numbered 12(i) above and the condition referred to therein being satisfied or fulfilled, the New Share Option Scheme becoming unconditional and coming into effect (such that no further options could thereafter be offered under the Existing Share Option Scheme of the Company); and
- (iii) the Directors of the Company be and are hereby authorised to do all acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the exercise of the options granted under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the total number of shares of the Company which may be issued upon exercise of all options to be granted under the New Share Option Scheme shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of passing this resolution, but the Company may seek approval by the shareholders of the Company in general meeting for refreshing the 10% limit under the New Share Option Scheme.”

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

Hong Kong, 25 July 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. A form of proxy for use at the AGM is enclosed herewith.

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

Executive Directors:

Mr. Lo Kan Sun (*Acting Chairman*)
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