
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Freeman Financial Corporation Limited (the “Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



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)

RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE

**Underwriter of the Rights Issue
CHUNG NAM SECURITIES LIMITED**

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 12 July 2013. The procedure for acceptance and payment or transfer of the Rights Shares is set out on pages 8 to 9 of this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 27 June 2013 to Tuesday, 9 July 2013 (both days inclusive). If the conditions of the Rights Issue (as described on pages 13 and 14 of this Prospectus) are not fulfilled or the Underwriting Agreement is terminated by an Underwriter, the Rights Issue will not proceed. Any dealing in the nil-paid Rights Shares during the period from Thursday, 27 June 2013 to Tuesday, 9 July 2013 (both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to 4:00 p.m. on the Latest Termination Date to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed “Termination of the Underwriting Agreement” on pages 15 and 16 of this Prospectus. If an Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on pages 13 and 14 of this Prospectus being fulfilled. In the event that such conditions have not been satisfied in accordance with the Underwriting Agreement on or before 4:00 p.m. on 16 July 2013, all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other parties save for any antecedent breach of the Underwriting Agreement. In such event, the Rights Issue will not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

First day of dealings in nil-paid Rights Shares	Thursday, 27 June 2013
Latest time for splitting of nil-paid Rights Shares.	4:30 p.m., Thursday, 4 July 2013
Last day of dealing in nil-paid Rights Shares	Tuesday, 9 July 2013
Latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares.	4:00 p.m., Friday, 12 July 2013
Rights Issue expected to be unconditional.	Tuesday, 16 July 2013
Announcement of allotment results.	Thursday, 18 July 2013
Despatch of certificates for fully-paid Rights Shares and refund cheques	Friday, 19 July 2013
Expected first date of dealing in fully paid Rights Shares.	9:00 a.m., Monday, 22 July 2013

All times and dates specified in this Prospectus refer to Hong Kong local times and dates. Dates stated in this Prospectus for events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as appropriate in accordance with the Listing Rules.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above; or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares (if any) does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	12 July 2013 or such other date as the Underwriter may agree in writing with the Company, as the latest date for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Article(s)”	the article(s) of association of the Company
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“Capital Reorganisation”	the capital reorganisation of the Company effective from 4:00 p.m. on 30 May 2013 as described in the circular of the Company dated 17 January 2013
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	The Companies Law, Cap. 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“Director(s)”	director(s) of the Company from time to time

DEFINITIONS

“EAF(s)”	the form(s) of application for excess Rights Shares, being in such usual form as maybe agreed between the Company and the Underwriter
“EGM”	an extraordinary general meeting of the Company convened and held at 4:00 p.m. on Monday, 18 February 2013 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party (Parties)”	third party (parties) independent of the Company and its connected persons (as defined under the Listing Rules)
“Independent Shareholders”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than Directors (excluding Independent Non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	4 December 2012, being the date of the Underwriting Agreement
“Latest Practicable Date”	20 June 2013, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Termination Date”	the second Business Day following the Acceptance Date or such other date as the Underwriter may agree in writing with the Company
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Memorandum”	the memorandum of association of the Company
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Option(s)”	the share option(s) that the Director may grant under the share option scheme of the Company adopted on 31 August 2012
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue, being in such usual form as may be agreed between the Company and the Underwriter
“Posting Date”	25 June 2013 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders for information only (as the case may be)
“Prospectus”	this prospectus despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	24 June 2013 or such other date as the Underwriter may agree in writing with the Company, as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

DEFINITIONS

“Rights Issue”	the proposed issue by way of rights on the basis of two Rights Shares for every Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	191,187,728 new Shares to be issued and allotted under the Rights Issue
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each
“Shareholder(s)”	registered holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	with the meaning ascribed thereto in the Listing Rules and the Companies Ordinance
“Subscription Price”	HK\$0.85 per Rights Share
“Underwriter”	HEC Securities Limited (formerly known as Chung Nam Securities Limited), a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the SFO, being the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement dated 4 December 2012 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“%” 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
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
Mr. Hung Cho Sing

Registered office:

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

Principal place of business

in Hong Kong:

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

25 June 2013

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE

INTRODUCTION

On 4 December 2012, the Company announced that the Board proposes to issue new Shares to the Qualifying Shareholders by way of rights issue at a subscription price of HK\$0.85 per Rights Share on the basis of two Rights Shares for every Share held on the Record Date.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you, amongst other things, further details about the Rights Issue.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	two Rights Shares for every Share held on the Record Date
Number of Shares in issue as at the Record Date	:	95,593,864 Shares
Number of Rights Shares	:	191,187,728 Rights Shares
Subscription Price	:	HK\$0.85 per Rights Share
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares

The 191,187,728 nil-paid Rights Shares proposed to be provisionally allotted represent 200% of the Company's issued share capital as at the Record Date and 66.67% of the Company's issued share capital as enlarged by the issue of the 191,187,728 Rights Shares. The aggregate nominal value of the 191,187,728 Rights Shares will be HK\$1,911,877.28.

Qualifying Shareholders

The Company has sent the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of Shareholders as recorded on the register of members of the Company had address(es) which is/are outside Hong Kong. Accordingly, there is no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.85 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 51.43% to the closing price of HK\$1.75 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 53.04% to the average closing price of approximately HK\$1.81 per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day;
- (c) a discount of approximately 26.09% to the theoretical ex-rights price of approximately HK\$1.15 per Share based on the closing price of HK\$1.75 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) a discount of approximately 11.46% to the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount as described above with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share will be approximately HK\$0.82.

Basis of provisional allotment

The basis of the provisional allotment shall be two Rights Shares for every Share in issue and held at the close of business on the Record Date, being 191,187,728 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. Application for all or any part of a provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractions of Rights Shares

On the basis of provisional allotment of two Rights Shares for every Share held by the Qualifying Shareholders at the close of business on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares indicated on the PAL. If the Qualifying Shareholders wish to exercise the right to subscribe for all the Rights Shares specified in the enclosed PAL, the Qualifying Shareholders must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to the Qualifying Shareholders, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Friday, 12 July 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Freeman Financial Corporation Limited – Provisional Allotment Account" and crossed "Account Payee Only".

LETTER FROM THE BOARD

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Friday, 12 July 2013, whether by the original allottee or any person by whom the rights have been validly transferred, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or to transfer part of the rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 4 July 2013 with the Registrar who will cancel the original PAL and issue new PALs in the denominations required. The PALs contain full information regarding the procedures to be followed if the Qualifying Shareholders wish to accept only part of the provisional allotment or if the Qualifying Shareholders wish to transfer all or part of the provisional allotment.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying duly completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Applicants must pay the exact amount payable upon application for the Right Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque will be made out to you only if the overpaid amount is HK\$100 or above.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders or transferees of nil-paid Rights Shares may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its/their provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received by no later than 4:00 p.m. on Friday, 12 July 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Freeman Financial Corporation Limited – Excess Application Account" and crossed "Account Payee Only". The Registrar will notify the applicants of any allotment of excess Rights Shares made to them.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated based on a sliding scale with reference to the number of the excess Rights Shares applied for (i.e. applications for a smaller number of Rights Shares are allocated with a higher percentage of successful application; whereas applications for a larger number of Rights Shares are allocated with a smaller percentage of successful application), and with board lot allocations to be made on a best effort basis.

The Rights Issue provides an opportunity for the Shareholders to subscribe for new Shares that allow them to maintain their respective shareholding interests in the Company. The allotment of excess Rights Shares to applicants with reference to their respective shareholdings in the Company as at the Record Date is a measure for the Shareholders who subscribe for excess Rights Shares to largely maintain their respective shareholdings after completion of the Rights Issue. In the event that the Company discovered certain applications may have been made with the intention to abuse the mechanism whereby preference would have been given to applications for topping up odd-lot holdings, the Company will change the allocation method for the excess Rights Shares on a fair and equitable basis.

LETTER FROM THE BOARD

The Company is not aware of any abuse of the mechanism under the above principles as at the Latest Practicable Date.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date, must lodge all necessary documents with the share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Wednesday, 19 June 2013.

The allocation of excess Rights Shares (if any) made to the Qualifying Shareholders is expected to be announced on Thursday, 18 July 2013. If no excess Rights Shares are allotted to the Qualifying Shareholders, a cheque for the amount tendered on application is expected to be refunded in full without interest on Friday, 19 July 2013 by ordinary post at their own risk. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on Friday, 19 July 2013 by ordinary post at their own risk.

All cheques and cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected. Applicants must pay the exact amount payable upon application for the Right Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque will be made out to you only if the overpaid amount is HK\$100 or above.

LETTER FROM THE BOARD

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on Friday, 19 July 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Friday, 19 July 2013 by ordinary post to the applicants at their own risk.

Applicant(s) will receive one Share certificate for all the Rights Share issued to him/her/it/them.

The first day of dealings in the Right Shares in their fully-paid form is expected to commence on Monday, 22 July 2013.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 4,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

1. the passing of the relevant resolution by the Independent Shareholders approving the Rights Issue at the EGM in accordance with the Listing Rules;
2. the Capital Reorganisation having become effective;
3. the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by two Directors (or by their agents duly authorised in writing) in compliance with the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
4. the posting of copies of the Prospectus Documents to the Qualifying Shareholders;
5. the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter, in its reasonable opinion, accepts and the subsequent satisfaction of such conditions (if any); and

LETTER FROM THE BOARD

6. the Underwriter having not terminated the Underwriting Agreement in accordance with the terms set out in the Underwriting Agreement.

As at the Latest Practicable Date, 1 and 2 above have been satisfied.

In the event that the above conditions have not been satisfied on or before 4:00 p.m. on 31 August 2013 (or such later date as the Underwriter and the Company may agree in writing), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other parties save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

The Rights Issue was approved by the Independent Shareholders by way of poll at the EGM.

The Underwriting Agreement

The principal terms and conditions of the Underwriting Agreement are summarized as below:

Date	:	4 December 2012
Underwriter	:	Chung Nam Securities Limited

The Underwriter is a wholly-owned subsidiary of HEC Capital Limited (“HEC”), and as at the Latest Practicable Date, the Group owns an approximate 19.54% shareholding interest in HEC. According to the disclosure of interests of the Company on the Stock Exchange, HEC holds 7.32% shareholding interest in the Company. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

Underwriting commitment of the Underwriter	:	The Rights Shares will be fully underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement
Commission	:	3% of the aggregate Subscription Price multiplied by the number of all the Rights Shares

The underwriting commission was determined after arm’s length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including independent Non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If at any time between the date of the Underwriting Agreement and 4:00 p.m. on the Latest Termination Date, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise or exist:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the representations or warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b)
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, the Cayman Islands or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
 - (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, the Cayman Islands or elsewhere,

which event or events is or are in the reasonable opinion of the Underwriter:

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

LETTER FROM THE BOARD

then and in such case, the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company terminate the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save for any antecedent breach. If the Underwriter exercises such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares have been dealt on an ex-rights basis from Tuesday, 18 June 2013. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 27 June 2013 to Tuesday, 9 July 2013 (both days inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Thursday, 27 June 2013 to Tuesday, 9 July 2013 (both days inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date when the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 27 June 2013 to Tuesday, 9 July 2013 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed "Conditions of the Rights Issue" of this Prospectus. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue, assuming that there is no change in shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Rights Issue.

Name of Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholder takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholder						
China Yunnan Tin Minerals Group Company Limited	14,108,000	14.76	42,324,000	14.76	14,108,000	4.91
Directors						
Andrew Liu (Note 1)	12,409,423	12.98	37,228,269	12.98	12,409,423	4.33
Au Shuk Yee, Sue (Note 2)	81,948	0.09	245,844	0.09	81,948	0.03
Chow Mun Yee (Note 2)	67,200	0.07	201,600	0.07	67,200	0.02
Gary Drew Douglas (Note 3)	47,200	0.05	141,600	0.05	47,200	0.02
Frank H. Miu (Note 3)	47,200	0.05	141,600	0.05	47,200	0.02
Underwriter and its associates (including HEC), sub-underwriters and subscribers procured by them (Note 4)						
	7,000,005	7.32	21,000,015	7.32	198,187,733	69.11
Other Shareholders						
Other public Shareholders	61,832,888	64.68	185,498,664	64.68	61,832,888	21.56
Total	95,593,864	100.00	286,781,592	100.00	286,781,592	100.00

LETTER FROM THE BOARD

Notes:

1. Mr. Andrew Liu is a Non-executive Director.
2. Ms. Au Shuk Yee, Sue and Ms. Chow Mun Yee are Executive Directors.
3. Mr. Gary Drew Douglas and Mr. Frank H. Miu are Independent Non-executive Directors.
4. As at the Latest Practicable Date, the Underwriter is a wholly-owned subsidiary of HEC.

The Company has been informed by the Underwriter that the Underwriter has already entered into sub-underwriting agreements with sub-underwriters to ensure the minimum public float requirements would be met.

Reasons for and Benefits of the Proposed Rights Issue and Use of Proceeds

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.

The gross proceeds from the Rights Issue will be approximately HK\$162.5 million. The estimated net proceeds from the Rights Issue will be approximately HK\$155.9 million.

As at 30 April 2013, the Group had cash and bank balances of approximately HK\$218.1 million.

In relation to working capital management policies, the Company always monitors its daily operations with an aim to save costs and to maintain a cash and bank balance which allows the Company to meet day-to-day expenses as well as short-term liquidity needs. Should any liquidity needs arise, the Company will identify appropriate sources of financing, either by way of internal resources or external borrowings or funding.

LETTER FROM THE BOARD

In relation to investment policies, the Company makes strategic investments as well as investments in marketable securities. For strategic investments, the Company aims to create and realize shareholders' value through making investments into companies or projects (with or without management and operational rights) that have promising outlooks and prospects, in particular, companies and projects in the financial services sector. The Company's selection criteria for making strategic investments include: (i) potential for appreciation in value; (ii) whether there is potential for achieving synergies; (iii) investment opportunities in the financial services sector are preferred; (iv) outlook for the industry which the target is engaged in; and (v) size of the target relative to size of the Group. For marketable securities, the Company aims to achieve capital appreciation by investing into marketable securities with potential for positive investment returns. The Company's selection criteria for making investments of marketable securities include: (i) price performance and potentials; (ii) discount to company's net value; (iii) company's background and performance; (iv) company's management structure and (v) current market conditions.

With the net proceeds from the Rights Issue, the Company intends to undertake proprietary trading activities and/or invest into third-party managed funds. For proprietary trading activities which include investments in marketable equity, equity-related and/or debt securities, the Company has its own experienced proprietary trading team invest in the securities markets for potential investment returns. For third-party managed funds, the Company aims to select fund(s) with investment focus in Asia-Pacific Region and global markets. Other than this criteria, the Company's selection criteria for third-party managed funds also include: (i) relationships to source attractive opportunities and capital returns; and (ii) ability to manage market exposures, risk and volatility. The Company will look at credentials of fund management team before deciding which fund(s) the Company will invest into.

The Company has noticed that economies in the United States and China are showing signs of stabilization. As quoted in several 2012 third-quarter financial reviews, with the quantitative easing program implemented by the United States Federal Reserve, many indexes of the United States showed modest growth during the third quarter of 2012. There are also signs of price increases in the stock markets and housing markets of the United States. For China, economic data has stabilized with modest improving momentum. Stock indexes and housing indexes in China rallied in recent months showing that China economy has signs of recovery and a potential rebound for the China stock market. Also, with the urbanization draft plan recently released by the Chinese Government, it is expected to improve the infrastructure and public services in China, and to expand domestic demands, strengthen real estate controls and support small businesses as well as improve the overall China economy.

There is also gradual progress made in containing the sovereign debt crisis in Europe. During the third quarter of 2012, European Central Bank president offered to "do whatever it takes" to preserve Euro and keep the Eurozone together. The stock markets showed collective sigh of relief and the risk of breakup of the Eurozone has receded. With the unlimited bond-buying program by European Central Bank, banking and sovereign risks in Europe have incremental progress and the European banking system is recapitalizing itself without a major step down in economic and financial stability, especially with regards to Greece, Spain and Italy.

LETTER FROM THE BOARD

For the six months ended 30 September 2012, the Group resulted a net loss of approximately HK\$65 million for trading of securities segment which was substantially less than HK\$431 million of the previous corresponding period. For the year ended 31 March 2012 and 2011, this segment resulted a net loss of approximately HK\$487 million and HK\$152 million respectively. These losses were mainly reflected by the realised and unrealised losses on marketable securities due to the market volatility. Investment sentiments in 2011 and 2010 were generally recessed and many stock market indexes remained at low levels. With stabilizing economies in the United States and China and gradual progress in European sovereign debt crisis during 2012, global market conditions are moderately calmed and improved with modest growth. The Group resulted a net realised gain from sale of marketable securities of approximately HK\$1 million for the six months ended 30 September 2012 whereas resulted a net loss of approximately HK\$12 million for the six months ended 30 September 2011, HK\$38 million for the year ended 31 March 2012 and HK\$69 million for the year ended 31 March 2011. The above figures show a gradual improvement in trading of securities segment.

With these factors, the Company therefore believes that the current market conditions present an excellent window of opportunity for the Company to devote additional resources to its proprietary trading activities in order to capture potential upside.

In respect of the proprietary trading activities of the Group, the Company intends to invest mainly in equity, equity-related and/or debt securities in listed companies in Hong Kong and other major global securities markets. The Company also intends to maintain a diversified investment portfolio both in terms of the number of investee companies as well as the industries in which the investee companies operate, in order to manage the Company's exposure to different companies and different industries. In view of the improving performance in trading of securities segment for the six months ended 30 September 2012 as compared to the results for the two years ended 31 March 2012 and 2011, the Company will focus more on making investments in companies with promising growth prospects and/or which are trading at a discount to net asset value, with the primary investment objective of achieving capital appreciation.

In addition to directly investing into marketable equity, equity-related and/or debt securities as the Company has done in the past, the Company will also actively explore the pros and cons of investing into third-party managed private equity funds, hedge funds and/or other types of funds. For third-party managed private equity fund, the Company will focus on collective investment schemes managed by investment professionals for making investment in various equity and debt securities according to investment strategies, including utilizing financial engineering, operational management, and relationships to source attractive opportunities. For third-party managed hedge fund, the Company will focus on single-strategy or multi-strategy collective investment schemes with investment strategies including macro, long short, quants, algorithmic for positive returns regardless of the directional movement in global markets. The Company may also look at other types of funds like traditional mutual funds, but the main focus will be on private equity funds and/or hedge funds. Investing into third-party managed funds will allow the Company to leverage upon the expertise of outside fund managers (instead of relying only upon the expertise of the Company's own proprietary trading team). It will also serve to increase the breadth and depth of the Company's investments, thereby creating a more balanced investment portfolio.

LETTER FROM THE BOARD

The Company therefore intends to apply the net proceeds from the Rights Issue to undertake proprietary trading activities and/or invest into third-party managed funds, with an amount of approximately HK\$138 million with the remaining of approximately HK\$18 million for working capital purposes. As at the Latest Practicable Date, however, the Company has not identified any investment target, and has not determined the specific amount of investment to be made in any one company/fund and the timing of any such investment.

The Board has considered debt financing and other methods of equity financing as possible financing alternatives available to the Group.

For debt financing, it is expected that the Group would find it difficult to obtain bank borrowings with favourable terms under the current market condition. In addition, debt financing will increase the Group's gearing ratio, debt-servicing costs and subject the Group to repayment obligations. Equity financing (such as in the form of the Rights Issue), on the other hand, will enable the Group to strengthen its capital base and enhance its financial position. Therefore, the Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity.

With regard to equity financing, any placing of new Shares without first offering to the existing Shareholders the opportunity to participate would result in a dilution of shareholding interests of the existing Shareholders. Moreover, the Board would like to provide the opportunities for all Shareholders to share the prospects of the Group and rights issue allows the existing Shareholders to participate in future development of the Group on equal terms.

Although both open offer and rights issue would allow all Shareholders to participate in the fund-raising exercise and to maintain their proportionate shareholding interests in the Company, the Board considers that a rights issue would further allow those Shareholders who do not want to participate in the fund-raising to dispose of their rights shares entitlements in the market in nil-paid form.

Having taken into consideration the aforesaid weaknesses of the other financing alternatives and the benefits of the Rights Issue, the Board considers that the Rights Issue is an appropriate financing method currently available to the Company and the Rights Issue is in the interests of the Company and the Shareholders as a whole .

LETTER FROM THE BOARD

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (Approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
27 May 2013	Placing of 42,067,480 pre-consolidated shares	HK\$4.0 million	For general working capital	Not yet used

Save as above-mentioned, the Company had not conducted any other fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

ADDITIONAL INFORMATION

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

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

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 31 March 2010 (pages 31 to 166), 2011 (pages 43 to 214) and 2012 (pages 25 to 131) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.freeman279.com). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2010, 2011 and 2012.

2. UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 September 2012 together with the relevant notes to the accounts are disclosed in the interim report of the Company for the six months ended 30 September 2012 (pages 6 to 31), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.freeman279.com).

3. INDEBTEDNESS

As at the close of business on 30 April 2013, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had borrowings amounting to approximately HK\$306.0 million.

The following table illustrates the Group's indebtedness as at the close of business on 30 April 2013:

	<i>HK\$'000</i>
<i>Current</i>	
Margin loans, secured	129,698
Other loans, secured	176,300
	<hr/>
Total borrowings	<u>305,998</u>

As at the close of business on 30 April 2013, the Group's total borrowings were secured by certain equity investments at fair value through profit or loss and an available-for-sale investment held by the Group with an aggregate carrying value of approximately HK\$1,166.8 million.

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, or any outstanding debt securities, bank overdrafts and liabilities under acceptances or acceptance credits or other similar borrowings, indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 30 April 2013.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 30 April 2013.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the cash flows generated from the operating activities, the financial resources available to the Group including internally generated funds and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements in the next twelve months from the date of this Prospectus.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the Company's announcement dated 23 May 2013 in relation to a positive profit alert for the Company's annual results for the year ended 31 March 2013, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. BUSINESS REVIEW FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Operation review

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.

Results review

The Group recorded a net loss of approximately HK\$39,684,000 for the six months ended 30 September 2012 (the "Period") as compared to net loss of approximately HK\$400,378,000 in the corresponding period of last year. The net loss incurred by the Group for the Period was mainly attributable to the significant unrealised fair value losses on securities held for trading and share of net losses of associates. Loss per share of the Company for the Period was 5.55 HK cents as compared to loss per share of 156.58 HK cents (restated) for the same period in 2011.

Liquidity, financial resources and capital structure

The Group financed its asset portfolio by internally generated cash resources and fund raising exercises. As at 30 September 2012, the net current assets of the Group amounted to approximately HK\$1,095,611,000 (As at 31 March 2012: approximately HK\$896,843,000) with cash and bank balances of approximately HK\$143,613,000 (As at 31 March 2012: approximately HK\$235,881,000).

As at 30 September 2012, the Group had secured short-term borrowings of approximately HK\$278,852,000 (As at 31 March 2012: HK\$268,142,000). The gearing ratio of the Group was decreased to 13.1% as compared to 13.9% as at 31 March 2012 (calculated on the basis of total borrowings over shareholders' funds). Taking into account the amount of liquid assets on hand and banking facilities available, the Group has sufficient working capital for its ongoing operational requirements.

The unaudited consolidated net asset value per share of the Company as at 30 September 2012 was HK\$2.91 (As at 31 March 2012: HK\$1.59). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 September 2012 of approximately HK\$2,142,918,000 (As at 31 March 2012: approximately HK\$1,951,365,000) and the total number of 735,337,422 shares (As at 31 March 2012: 1,225,562,371 shares) in issue as at that date.

7. BUSINESS AND TRADING PROSPECTS

Several 2012 third-quarter financial reviews quoted that there has been a marked improvement in global financial market sentiment during the third quarter, largely reflecting the European Central Bank's plans to intervene in sovereign debt markets to help preserve the euro area monetary union. There was improvement in the pricing of a range of risk assets, including declines in spreads on southern euro area sovereign bonds and increases in euro area bank share prices.

Also, European authorities have announced a number of measures in recent months to help alleviate market strains and keep the euro area intact. In light of these, the Company maintains positive outlook on the financial services sector. With the funding to be raised through the proposed Rights Issue, the Company could devote more resources to undertake proprietary trading activities and/or invest into third-party managed funds in order to capture potential upside.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared by the Directors in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate the effect of the proposed rights issue on the basis of two Rights Shares for every Share held on the Record Date (the “Rights Issue”) on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been undertaken and completed on 30 September 2012.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net tangible assets of the Group as at 30 September 2012, as extracted from the published unaudited interim results of the Group for the six months ended 30 September 2012 set out in the interim report of the Company for the six months ended 30 September 2012 (pages 6 to 31), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.freeman279.com), after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

	Unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 September 2012 <i>(Note 2)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders immediately after completion of the Rights Issue <i>(Note 6)</i> HK\$'000	Unaudited consolidated net tangible assets per Share attributable to the Shareholders as at 30 September 2012 <i>(Note 4)</i> HK\$	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the Shareholders immediately after completion of the Rights Issue <i>(Note 5)</i> HK\$
Rights Issue of 191,187,728 Rights Shares <i>(Note 1)</i>	2,142,579	155,925	2,298,504	29.14	8.01

Notes:

1. The Rights Issue of 191,187,728 Rights Shares is based on 95,593,864 Shares in issue as at the Record Date.
2. The unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 September 2012 is arrived at based on the unaudited consolidated net assets of the Group as at 30 September 2012 of approximately HK\$2,142,918,000 less intangible asset of approximately HK\$339,000 as set out in the interim report of the Company for the six months ended 30 September 2012 (pages 6 to 31), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.freeman279.com).
3. The estimated net proceeds from the Rights Issue is calculated based on 191,187,728 Rights Shares to be issued at the subscription price of HK\$0.85 per Rights Share. The estimated net proceeds are arrived at based on the gross proceeds from the Rights Issue of approximately HK\$162,510,000 less the estimated related expenses of approximately HK\$6,585,000.
4. The number of Shares used for the calculation of unaudited consolidated net tangible assets per Share is 73,533,742 as at 30 September 2012.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue is calculated based on 286,781,592 Shares which comprise 95,593,864 Shares in issue as at the Record Date and 191,187,728 Rights Shares expected to be issued on the completion of the Rights Issue.
6. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2012.

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP



25 June 2013

The Board of Directors
Freeman Financial Corporation Limited
Room 2302, 23rd Floor, China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs

Freeman Financial Corporation Limited and its subsidiaries
Unaudited pro forma financial information

We report on the unaudited pro forma financial information of Freeman Financial Corporation Limited (the “Company”) and its subsidiaries (the “Group”), set out on pages 26 and 27 in Appendix II to the prospectus of the Company dated 25 June 2013 (the “Prospectus”), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Company’s proposed rights issue at a subscription price of HK\$0.85 per rights share, on the basis of two rights shares for every share held on the Record Date as defined in the Prospectus, to raise approximately HK\$162.5 million before expenses (the “Proposed Rights Issue”) might have affected the relevant financial information presented in respect of the Group immediately after the completion of the Proposed Rights Issue. The basis of preparation of the unaudited pro forma financial information is set out on pages 26 and 27 in Appendix II to the Prospectus.

Respective Responsibilities of the Directors of the Company and the Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the unaudited pro forma financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future date.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully

Ernst & Young
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately following the completion of the Rights Issue are as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>500,000,000,000</u> Shares of HK\$0.01 each	<u>5,000,000,000.00</u>
<i>Issued and fully paid:</i>	
<u>95,593,864</u> Shares	<u>955,938.64</u>

(ii) Immediately following the completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>500,000,000,000</u> Shares of HK\$0.01 each	<u>5,000,000,000.00</u>
<i>Issued and fully paid and to be issued:</i>	
95,593,864 Shares in issue before completion of the Rights Issue	955,938.64
<u>191,187,728</u> Rights Shares to be allotted and issued under the Rights Issue	<u>1,911,877.28</u>
<u>286,781,592</u> Shares in issue immediately after completion of the Rights Issue	<u>2,867,815.92</u>

All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

Based on the register kept by the Company, as at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding
Andrew Liu	Beneficial owner	12,409,423	12.98% (Note)
Au Shuk Yee, Sue	Beneficial owner	81,948	0.09% (Note)

Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding
Chow Mun Yee	Beneficial owner	67,200	0.07% <i>(Note)</i>
Gary Drew Douglas	Beneficial owner	47,200	0.05% <i>(Note)</i>
Frank H. Miu	Beneficial owner	47,200	0.05% <i>(Note)</i>

Note:

The percentage of shareholding in the Company is calculated on the basis of 95,593,864 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Based on the register kept by the Company, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the Shares

Name of substantial shareholders	Capacity	Number of shares/ underlying shares held	Approximate percentage of shareholding
China Yunnan Tin Minerals Group Company Limited (Note 1)	Interest of controlled corporation	14,108,000	14.76% (Note 3)
Willie International Holdings Limited	Beneficial Owner	7,812,883	8.17% (Note 3)
HEC (Note 2)	Interest of controlled corporation	7,000,005	7.32% (Note 3)

Note 1: These shares are held through Upperclass Developments Limited and Global Giant Development Limited, both of which are wholly owned by China Yunnan Tin Minerals Group Company Limited.

Note 2: These shares are held by Murtsa Capital Management Limited, a wholly-owned subsidiary of Hennabun Development Limited, whereas Hennabun Development Limited is wholly-owned by HEC.

Note 3: The percentage of shareholding in the Company is calculated on the basis of 95,593,864 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) As at the Latest Practicable Date, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 March 2012, the date to which the latest published audited financial statements of the Group were made up.
- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this Prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 March 2012, the date to which the latest published audited financial statements of the Group were made up.

Ernst & Young has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts had been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) The supplemental agreement dated 18 June 2013 between the Company and the Underwriter in relation to the amendments of the dates of Acceptance Date, Posting Date and Record Date of the Underwriting Agreement;
- (b) The sale and purchase agreement dated 21 March 2013 between the Company, Global Wealthy International Limited (“Global Wealthy”) and Dynastic Union Limited, in relation to the acquisition of shares in Freeman Securities Limited (“FSL”), an indirect non-wholly owned subsidiary of the Group as at the date entering such sale and purchase agreement, total consideration is HK\$16.1 million;
- (c) The Underwriting Agreement;
- (d) The underwriting agreement dated 19 January 2012 (“January 2012 Underwriting Agreement”) between the Company and Chung Nam Securities Limited, an associate of the Group as at the date entering such underwriting agreement, and Get Nice Securities Limited, an Independent Third Party, relating to the rights issue of the Company on the basis of two rights shares for every adjusted share on the record date and the supplemental agreement dated 16 April 2012 in relation to the amendments of certain terms of January 2012 Underwriting Agreement;
- (e) The share subscription agreement dated 30 September 2011 between the Company and Willie International Holdings Limited (“Willie”), a substantial shareholder of the Company which holds approximately 15.38% shareholding interest of the Company as at the Latest Practicable Date, (1) in relation to the subscription of shares in the Company by Willie and (2) in relation to the subscription of shares in Willie by the Company. The consideration for the subscription was approximately HK\$48.08 million respectively;
- (f) The conditional agreement dated 19 September 2011 between Freeman Agency Limited, a wholly owned subsidiary of the Company and Dr. Yang Fan Shing, Andrew, a former Chairman of the Company, in relation to the disposal of shares in Freeman Investment Services Limited, a wholly owned subsidiary of the Company, the total consideration was HK\$0.75 million;
- (g) The subscription agreement dated 12 August 2011 (“August 2011 Subscription Agreement”) between FSL, an associate of the Group as at the date entering such subscription agreement, Global Wealthy, an Independent Third Party, and the Company in relation to the issue and allotment of shares in FSL to Global Wealthy, the total consideration was HK\$15 million and the supplemental agreement dated 12 October 2012 in relation to the amendments of certain terms of August 2011 Subscription Agreement; and

- (h) The share purchase agreement dated 19 July 2011 between Ng Chor Yam, an Independent Third Party, and Freeman United Investments Limited, a wholly owned subsidiary of the Company, in relation to the purchase of shares in FSL, the total consideration was HK\$30 million.

10. CORPORATE INFORMATION

Registered office of the Company

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

Head office and principal place of business of the Company in Hong Kong

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

Share registrar and transfer office of the Company in Hong Kong

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Authorised representatives

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

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

Company secretary

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

Legal adviser to the Company

Ching & Solicitors
Suite 2201-3, 22nd Floor
China United Centre
28 Marble Road
North Point
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
22/F., CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Principal bankers

The Hongkong and Shanghai
Banking Corporation Limited
No.1 Queen's Road Central
Hong Kong

Bank of Communications Co., Ltd.
Hong Kong Branch
1/F., 32-34 Johnston Road
Wan Chai
Hong Kong

DIRECTORS**Particulars of Directors****Name****Address****Executive Directors**

LO Kan Sun

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

HUI Quincy Kwong Hei

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

AU Shuk Yee, Sue

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

CHOW Mun Yee

Room 2302, 23rd Floor
China United Centre
28 Marble Road
North Point
Hong Kong**Non-executive Directors**

LIU Andrew

Flat B, 22nd Floor
The Harbourview
11 Magazine Gap Road
Mid-levels, Hong Kong

LIU Kam Fai, Winston

2nd Floor, 92 Repulse Bay Road
Hong Kong

Independent Non-executive Directors

DOUGLAS Gary Drew

Flat B, 19th Floor, Island Lodge
180 Java Road, North Point
Hong Kong

WHITELAM Peter Temple

8B, 18 Queen's Road East
Wanchai, Hong Kong

QUE Agustin V.

Anahaw 17, Gloria 3 Subdivision
Tandang Sora Quezon City,
Metro Manila, The Philippines 1100

MIU Frank H.

Flat B, 15th Floor, Tower 8, Phase I
28 Belair Avenue
Residence Belair
Island South
Hong Kong

HUNG Cho Sing

Flat C, 21st Floor, Block T8
Island Resort
28 Siu Sai Wan Road
Siu Sai Wan
Hong Kong

EXECUTIVE DIRECTORS

Mr. Lo Kan Sun (“**Mr. Lo**”), aged 59, 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. Hui Quincy Kwong Hei (“**Mr. Hui**”), aged 40, joined the Company as General Manager in August 2010 and was re-designated as Managing Director in September 2010. Mr. Hui holds a Bachelor of Laws (Hons) degree and a Bachelor of Economics degree from the University of Sydney, Australia. Mr. Hui has over 15 years of investment banking, financial services and legal experience. Prior to joining the Company, Mr. Hui was a managing director with Credit Suisse (Hong Kong) Limited (“Credit Suisse”). Before that, Mr. Hui was a managing director and Head of Hong Kong Banking in Global Banking of Deutsche Bank Group (“Deutsche Bank”). During his service with Deutsche Bank and Credit Suisse, Mr. Hui worked on and supervised the completion of many landmark mergers and acquisitions and fund-raising transactions. Mr. Hui was a solicitor with Linklaters in Hong Kong before joining Deutsche Bank, and was admitted as solicitor of the Supreme Court of England and Wales, legal practitioner of the Supreme Court of New South Wales, Australia, and solicitor of the High Court of Hong Kong.

Ms. Au Shuk Yee, Sue (“**Ms. Au**”), aged 48, 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. Chow Mun Yee (“**Ms. Chow**”), aged 37, joined the Company’s accounts and company secretarial department in December 2010 and was appointed as Executive Director in February 2011. Ms. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants and is a fellow member of the Association of Chartered Certified Accountants and holds a Bachelor (Hons) degree in Business Administration from the Chinese University of Hong Kong. Ms. Chow was also appointed as Company Secretary in March 2011. Prior to joining the Company, Ms. Chow has over 13 years of experience in accounting and auditing at an international accounting firm and has extensive experience in financial services, investment and property development.

NON-EXECUTIVE DIRECTORS

Mr. Andrew Liu (“**Mr. A. Liu**”), aged 57, joined the Company as Non-executive Director in November 2010. Mr. A. Liu is a non-executive director of Liu Chong Hing Investment Limited (“LCH Investment”) (listed on the main board of The Stock Exchange of Hong Kong Limited). Mr. A. Liu is the Chairman of Uritas Capital Pte Ltd. (formerly known as CCMP Capital Asia Pte Ltd.). Mr. A. Liu, holder of a Master of Arts degree from the Oxford University in England, was a solicitor with Slaughter and May in London before joining Morgan Stanley & Co. Inc. in New York in 1981. Mr. A. Liu was promoted to managing director in 1990 before relocating to Morgan Stanley Asia Limited in Hong Kong, where he assumed the position of President and managing director until his resignation in September 1997. Mr. A. Liu remains associated with Morgan Stanley as an advisory director. From May 1999 to December 2012, Mr. A. Liu was appointed as non-executive director of Chong Hing Bank Limited (listed on the main board of the Stock Exchange). Mr. A. Liu is a cousin of Mr. Liu Kam Fai, Winston, the Company’s Non-executive Director.

Mr. Liu Kam Fai, Winston (“**Mr. W. Liu**”), aged 46, joined the Company as Non-executive Director in January 2011. Mr. W. Liu was appointed as executive director of LCH Investment since 1997 and was redesignated as the deputy managing director in August 2008. Mr. W. Liu holds a Master’s degree in economics from the University of London, specialising in finance and macro-economic policy. Mr. W. Liu oversees LCH Investment’s strategic development, project implementation, as well as all aspects of business operations. Mr. W. Liu also serves as a director of a number of subsidiaries of LCH Investment. Mr. W. Liu is the son of Dr. Liu Lit Mo, LLD, MBE, JP. Mr. W. Liu is also a cousin of Mr. A. Liu, the Company’s Non-executive Director and substantial shareholder. LCH Investment is a company listed on the main board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gary Drew Douglas (“**Mr. Douglas**”), aged 63, 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 and from June 2011 to September 2012, Mr. Douglas was appointed as independent non-executive director of Willie International Holdings Limited, which is also a company listed on the main board of the Stock Exchange. Mr. Douglas is presently the managing director of Dragonite International Limited (“Dragonite”) which is a company listed on the main board of the Stock Exchange.

Mr. Peter Temple Whitelam (“**Mr. Whitelam**”), aged 84, joined the Company as Independent Non-executive Director in November 2006. Mr. Whitelam is currently the chairman of the Company’s remuneration committee and nomination committee. 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 company listed on the main board of the Stock Exchange.

Dr. Agustin V. Que (“**Dr. Que**”), aged 66, joined the Company as an Independent Non-executive Director in September 2010. Dr. Que holds Doctor of Philosophy and Master degrees in Business Administration, both majoring in Finance, from the Wharton School of the University of Pennsylvania in Philadelphia, Pennsylvania, United States of America. Dr. Que has been involved in the field of finance for more than 35 years as a private equity investor, merchant banking, corporate and development finance professional in Jakarta, Hong Kong, Singapore, Boston and Washington, District of Columbia. Dr. Que recently returned to Manila after 15 years in Jakarta where Dr. Que was corporate finance adviser to an Indonesian holding company with diversified interests in agribusiness, property and financial services. In this position, Dr. Que was responsible for mergers and acquisitions, new investments, business development and investment banking activities. Prior to Jakarta, Dr. Que worked in the financial sector in Hong Kong for 12 years. Dr. Que started his career in finance in Washington, District of Columbia, United States of America with The World Bank, over a period of 10 years. His last posting was senior investment officer in the capital markets department of the International Finance Corporation, The World Bank’s private investment arm. Dr. Que is currently an independent non-executive director of Mascotte Holdings Limited which is a company listed on the main board of the Stock Exchange.

Mr. Frank H. Miu (“**Mr. Miu**”), aged 64, 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 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 Group Limited, and all 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.

Mr. Hung Cho Sing (“**Mr. Hung**”), aged 72, joined the Company as Independent Non-executive Director on 9 January 2013. Mr. Hung has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. Mr. Hung has been the chairman of Hong Kong, Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association Limited from 1993 to 1995. Mr. Hung was appointed by the HKSAR Government as a member of the Hong Kong Film Development Council from 2007 to 31 March 2013. Mr. Hung was also appointed as a director of the China Film Association since 2009. Mr. Hung is also a member of HKSAR Election Committee and a vice-chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council (廣東省粵港澳合作促進會文化專業委員會副主任委員). Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong Film industry. Recently, Mr. Hung has been appointed by the HKSAR as member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission on an ad personam basis for a term of two years with effect from 17 January 2013. Mr. Hung is an independent non-executive director of China Star Entertainment Limited, a non-executive director of Capital VC Limited and an independent non-executive director of Mascotte Holdings Limited, and all these companies are companies listed on the main board of the Stock Exchange.

11. MISCELLANEOUS

The English texts of this Prospectus shall prevail over their Chinese texts in case of inconsistencies.

12. EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$6.6 million on the basis of 191,187,728 Rights Shares to be issued.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong at Room 2302, 23rd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this Prospectus up to and including Tuesday, 9 July 2013:

- (a) the Memorandum and the Articles;
- (b) the annual reports of the Company for the three financial years ended 31 March 2012, 31 March 2011 and 31 March 2010;
- (c) the interim report of the Company for the six months ended 30 September 2012;
- (d) the letter on the unaudited pro forma financial information of the Group issued by Ernst & Young which is set out in appendix II to this Prospectus;
- (e) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this appendix; and
- (f) the written consents referred to in the paragraph under the heading “Experts” in this appendix.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the paragraph headed “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong Pursuant to section 342C of the Companies Ordinance.