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FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

VOLUNTARY ANNOUNCEMENT PROPOSED ACQUISITION OF A SUBSIDIARY

This is a voluntary announcement made by the Company.

The Board announces that on 9 June 2014 (after trading hours), FSL, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and FSL agreed to purchase the Sale Shares of Target Company at a consideration of HK\$10 million.

Completion is conditional upon, amongst other things, the granting of approval from the SFC under Section 132 of the SFO for the change in “substantial shareholder” (as defined under the SFO) of the Target Company, as a result of the Agreement and the transaction contemplated thereunder.

Upon Completion, Target Company will become a wholly-owned subsidiary of the Company.

REASONS FOR THE PROPOSED ACQUISITION

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 Company is always aiming to enhance its service capacity in the financial services industry. Upon Completion, the Company will have wholly-owned subsidiaries principally engaged in businesses in Type 1, 2 and 6 regulated activities as defined under the SFO (in addition to insurance, financial planning, money lending and proprietary trading) that create a one-stop financial conglomerate to provide a more comprehensive range of financial services. The Company believes that the Proposed Acquisition will increase its market competitiveness and create more business opportunities to the Group as to enhance the values to the Company and its shareholders. Furthermore, in addition to the Proposed Acquisition, the Company will also continue to look for additional opportunities to further enhance its service offering repertoire.

The Directors had taken into account the following factor prior to entering into the Agreement with the Vendor: the consideration of HK\$10 million with reference to the unaudited net asset value of the Target Company as at 30 April 2014.

The Directors consider the terms of the Agreement are negotiated at arm's length basis and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

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

“Agreement”	conditional agreement in relation to the sale and purchase of the Sales Shares entered into between FSL and the Vendor on 9 June 2014;
“Board”	the board of Directors;
“Company”	Freeman Financial Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Proposed Acquisition;
“Director(s)”	director(s) of the Company;
“FSL”	Freeman Securities Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a licensed corporation carrying out business in Type 1 (dealing in securities) regulated activity as defined under the SFO;

“Group”	the Company and its subsidiaries;
“HEC”	HEC Capital Limited, a company incorporated in the Cayman Islands with limited liability, of which the Group holds approximately 19.54% shareholding interest in HEC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Proposed Acquisition”	the proposed conditional sale and purchase of Sale Shares pursuant to the Agreement;
“Sale Shares”	150,000 shares in Target Company representing its entire issued share capital immediately before Completion;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shares”	ordinary shares in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules;
“Target Company”	HEC Commodities Limited, an indirect wholly-owned subsidiary of HEC incorporated in Hong Kong with limited liability and a licensed corporation carrying out business in Type 2 (dealing in future contracts) regulated activity as defined under the SFO;
“Vendor”	HEC Holdings Limited, an indirect wholly-owned subsidiary of HEC incorporated in Hong Kong with limited liability.

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

Hong Kong, 9 June 2014

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

Executive Directors:

Mr. Lo Kan Sun (*Chairman*)

Mr. Hui Quincy Kwong Hei (*Managing Director*)

Ms. Au Shuk Yee, Sue

Ms. Chow Mun Yee

Non-executive Directors:

Mr. Andrew Liu

Mr. Liu Kam Fai, Winston

Independent Non-executive Directors:

Mr. Cheung Wing Ping

Mr. Chung Yuk Lun

Mr. Hung Cho Sing

Dr. Agustin V. Que