
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 this circular.



FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

PROPOSALS FOR

- (1) GENERAL MANDATE TO ISSUE SHARES,**
 - (2) GENERAL MANDATE TO REPURCHASE SHARES,**
 - (3) REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME,**
 - (4) FINAL DIVIDEND FOR 2014 – BONUS ISSUE OF SHARES,**
 - (5) RE-ELECTION OF DIRECTORS**
- AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Freeman Financial Corporation Limited to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Thursday, 28 August 2014 at 4:00 p.m. is set out on pages 19 to 24 of this circular.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meetings in person if you so wish.

28 July 2014

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	1
DEFINITIONS	2
LETTER FROM THE BOARD	4
APPENDIX I – EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE	12
APPENDIX II – DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	16
NOTICE OF ANNUAL GENERAL MEETING	19

EXPECTED TIMETABLE

2014
(Note)

Latest time for lodging proxy forms for the AGM.	4:00 p.m. on Tuesday, 26 August
Date and time of the AGM	4:00 p.m. on Thursday, 28 August
Announcement of the voting results of the AGM.....	Thursday, 28 August
Last date of dealings in Shares cum-entitlements to the Bonus Issue	Friday, 29 August
First date of dealings in Shares ex-entitlements to the Bonus Issue	Monday, 1 September
Latest time for lodging transfers of Shares for entitlements to the Bonus Issue	4:30 p.m. on Tuesday, 2 September
Closure of register of members (both days inclusive)	From Wednesday, 3 September to Wednesday, 10 September
Record Date for determination of entitlement to the Bonus Issue	Wednesday, 10 September
Re-open of register of members of the Company.....	Thursday, 11 September
Despatch of share certificates for the Bonus Shares	Wednesday, 17 September
First date of dealings in the Bonus Shares.....	9:00 a.m. on Thursday, 18 September

Note: all dates and times in this circular refers to Hong Kong dates and times.

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:00 p.m. on Thursday, 28 August 2014, the notice of which is set out on pages 19 to 24 of this circular
“Articles”	the Articles of Association of the Company
“associate”	the meaning ascribed thereto in Rule 1.01 of the Listing Rules
“Auditors”	at any time means the auditors of the Company for the time being of the Company at that time
“Board”	the board of Directors of the Company
“Bonus Issue”	the proposed issue of the Bonus Shares on the basis of one Bonus Share for every one existing Share held on the Record Date
“Bonus Share(s)”	the new Share(s) proposed to be issued under the Bonus Issue
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Freeman Financial Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“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 dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot and issue Shares in the manner as set out herein
“Latest Practicable Date”	23 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	Overseas Shareholders whom the Directors, after making enquiries, consider it is necessary or expedient 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 not to extend the Bonus Issue to them
“Option Shares”	the new Share(s) to be issued pursuant to the exercise of share options to be granted under the refreshed Scheme Mandate Limit
“Overseas Shareholders”	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
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	10 September 2014, being the record date for determination of entitlement to the Bonus Issue
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out herein
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon exercise of all the options which may be granted under the Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of a par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	(a) holder(s) of Shares
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 31 August 2012 and valid and effective for a period of ten years
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

Executive Directors:

Mr. Lo Kan Sun (*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

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

28 July 2014

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATE TO ISSUE SHARES,
(2) GENERAL MANDATE TO REPURCHASE SHARES,
(3) REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME,
(4) FINAL DIVIDEND FOR 2014 – BONUS ISSUE OF SHARES,
(5) RE-ELECTION OF DIRECTORS
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

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

LETTER FROM THE BOARD

all the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution at the AGM; (iii) the extension of the Issue Mandate by those Shares repurchased by the Company pursuant to the Repurchase Mandate granted to the Directors; (iv) the refreshment of Scheme Mandate Limit of the Share Option Scheme; (v) the final dividend for the year ended 31 March 2014 by way of the Bonus Issue; and (vi) the re-election of Directors.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

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

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

As at the Latest Practicable Date, the total number of issued Shares was 344,137,910. Assuming that no further Shares are repurchased or issued between the Latest Practicable Date and the date of the AGM, subject to the approval of the Issue Mandate by the Shareholders, the Company would be allowed to issue a maximum of 68,827,582 Shares under the proposed Issue Mandate.

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

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

REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Board also proposed to seek approval of the Shareholders to refresh the 10% Scheme Mandate Limit of the Share Option Scheme. Pursuant to Rule 17.03(3) of the Listing Rules, the Company may seek approval by its Shareholders in general meeting for “refreshing” the 10% limit under the Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company (or its subsidiaries) under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approving refreshment of the limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted

LETTER FROM THE BOARD

for the purpose of calculating the limit as “refreshed”. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the Shares of the Company (or its subsidiaries) in issue from time to time. No options may be granted under any schemes of the Company (or its subsidiaries) if this will result in the limit being exceeded.

The Scheme Mandate Limit was granted at the annual general meeting of the Company held on 5 September 2013, pursuant to which the Directors were authorised to grant options carrying rights to subscribe for up to a maximum number of 28,678,159 shares, which represented 10% of the total issued share capital of the Company as at the date of that meeting.

No share options were granted by the Company since the last annual general meeting. No options under the Scheme Mandate Limit were lapsed or cancelled. There are no options under the Share Option Scheme or any other schemes of the Company granted which remain outstanding or unexercised as at the Latest Practicable Date.

In order to provide the Company with greater flexibility in granting share options to eligible persons (including employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Group, the Board decided to seek the approval from the Shareholders at the AGM to refresh the Scheme Mandate Limit. The Directors consider that refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

Based on 344,137,910 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued and no share options are being granted prior to the AGM, upon the approval of the refreshment of the Scheme Mandate Limit, the Directors will be authorised to issue options to subscribe for a total of 34,413,791 Shares.

No outstanding share options of the Company will lapse as a result of the refreshment of the Scheme Mandate Limit and the aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date. Save for the Share Option Scheme, the Company had no other share option schemes as at the Latest Practicable Date.

LETTER FROM THE BOARD

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution at the AGM to approve the refreshment of the Scheme Mandate Limit by the Shareholders; and
- (ii) the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, the Option Shares.

Application will be made to the Listing Committee of the Stock Exchange for the approval mentioned in paragraph (ii) above.

FINAL DIVIDEND FOR 2014 – PROPOSED BONUS ISSUE OF SHARES

Issue of Bonus Shares

As stated in the Company's announcement dated 30 June 2014, the Directors did not recommend the payment of a final dividend for the year ended 31 March 2014. Subsequent to 30 June 2014, the Directors re-considered the issue of a final dividend. On 17 July 2014, the Board resolved to recommend distribution of a final dividend for the year ended 31 March 2014 of HK\$0.01 per Share by way of a proposed bonus issue of Shares, credited as fully paid at par by way of capitalisation of part of the Company's retained profits, on the basis of one Bonus Share for every one existing Share held by Qualifying Shareholders whose names are on the register of members of the Company on the Record Date. As at the Latest Practicable Date, the number of Shares in issue was 344,137,910 Shares. On the basis of such figure, and assuming there is no issue or repurchase of Shares prior to the Record Date, the number of Bonus Shares to be issued is 344,137,910 Shares. Immediately after completion of the Bonus Issue, there will be a total of 688,275,820 Shares in the enlarged issued share capital of the Company.

Reasons for the Bonus Issue

In recognition of the continued support of the Shareholders, the Board recommended a final dividend for the year ended 31 March 2014 by way of the Bonus Issue. The Board is of the view that the Bonus Issue could enhance the liquidity of the Shares in the market and thereby potentially expanding the Company's shareholder and capital base.

LETTER FROM THE BOARD

In addition, with reference to the Company's announcement dated 30 June 2014 in relation to the final results for the year ended 31 March 2014, the Group recorded a profit for the year of approximately HK\$477.3 million, and the net asset value of the Group as at 31 March 2014 was approximately HK\$3,204.2 million, translating into a book value per Share of approximately HK\$9.31. On the other hand, using the closing price of the Shares as at 17 July 2014 and the Latest Practicable Date of HK\$2.74 and HK\$3.02 respectively as a reference, the Company was trading at a price-to-book (PB) of only approximately 0.29X and 0.32X respectively. The Board therefore believes that the Company is extremely undervalued. Companies which pay dividends (in cash or by way of bonus shares or in any other form) generally tend to attract a higher valuation. It is therefore believed that the declaration and payment of the final dividend in the form of the Bonus Issue could be an effective means to help narrow the valuation gap such that the underlying worth of the Company can be unlocked and become more accurately reflected.

The Board prefers the Bonus Issue to a cash dividend as the Bonus Issue will allow the Company to conserve its book value as well as cash for future business development.

It has been quite some years that the Board has not recommended the payment of a dividend. The Board intends to change this practice. Going forward, it is now the new corporate direction as well as the intention of the Board to lean towards recommending the payment of dividends at least on an annual basis where appropriate.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (A) the approval of the final dividend for the year ended 31 March 2014 in the form of the Bonus Issue by the Shareholders at the AGM; and
- (B) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Status of Bonus Shares

The Bonus Shares, upon issue, will rank *pari passu* with the Shares then existing in all respects except that they will not rank for the Bonus Issue.

Fraction of Bonus Shares

On the basis of one Bonus Share for every one existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlement will arise. Fractional entitlements to the Bonus Shares will not be allotted or issued.

LETTER FROM THE BOARD

Overseas Shareholders

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Bonus Issue to the Overseas Shareholders (if any). Up to the Latest Practicable Date, the Company has not yet made any enquiries to the legal advisors as based on information provided by the share registrar of the Company, there is no Overseas Shareholder as at the Latest Practicable Date.

If, based on the legal opinions, the Directors consider that it is necessary or expedient not to issue the Bonus Shares to Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that(those) place(s), no Bonus Share will be issued to such Overseas Shareholders. However, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

Closure of register of members

The register of members of the Company will be closed from 3 September 2014 to 10 September 2014 (both days inclusive) in order to determine the Qualifying Shareholders' entitlement to the Bonus Issue, during which period no transfer of Shares will be registered.

To qualify for the Bonus Issue, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 2 September 2014.

Listing and dealings

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The issued Shares are listed and dealt in on the Stock Exchange. No part of the securities of the Company is listed or dealt in on any other stock exchange on which listing or permission to deal is being or is proposed to be sought.

Certificates for Bonus Shares

Subject to fulfilment of the conditions of the Bonus Issue mentioned above, it is expected that share certificates for the Bonus Shares (which are not renounceable) will be despatched to the Qualifying Shareholders on 17 September 2014 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence at 9:00 a.m. on 18 September 2014.

LETTER FROM THE BOARD

Trading arrangements

Subject to (i) the granting of the listing of and permission to deal on the Stock Exchange and (ii) the compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date on which dealings in the Bonus Shares commence on the main board of the Stock Exchange or such other date as shall be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

It is expected that dealings in the Bonus Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, 18 September 2014.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

RE-ELECTION OF DIRECTORS

Pursuant to Article 112 of the Articles, Mr. Lo Kan Sun, Ms. Au Shuk Yee, Sue, Mr. Liu Kam Fai, Winston and Mr. Hung Cho Sing will retire and, being eligible, offer themselves for re-election at the AGM.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out on pages 19 to 24 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM in person, you should complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish.

No Shareholder is required to abstain from voting of the proposals for Issue Mandate, Repurchase Mandate, refreshment of Scheme Mandate Limit, final dividend for the year ended 31 March 2014 by way of the Bonus Issue and re-election of Directors.

LETTER FROM THE BOARD

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

RESPONSIBILITY OF THE DIRECTORS

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

RECOMMENDATION

The Directors are of the opinion that the proposals for Issue Mandate, Repurchase Mandate, refreshment of Scheme Mandate Limit, final dividend for the year ended 31 March 2014 by way of the Bonus Issue and re-election of the Directors are in the best interests of the Company and the Shareholders as a whole, and accordingly the Board recommends you to vote in favour of the relevant resolutions to be proposed at the AGM.

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

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

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

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

1. LISTING RULES FOR REPURCHASES OF SHARES

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

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

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of the Cayman Islands. As compared with the financial position of the Company as at 31 March 2014 (being the date of its latest audited accounts), the Directors consider that there will not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

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

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 344,137,910 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 34,413,791 Shares.

4. REASONS FOR REPURCHASES

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

5. UNDERTAKING OF THE DIRECTORS

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

6. EFFECT OF THE TAKEOVERS CODE

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

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

	As at the Latest Practicable Date		Immediately after full exercise of the Repurchase Mandate	
	Number of issued Shares held	Approximate %	Number of issued Shares held	Approximate %
Directors				
Andrew Liu	37,228,269	10.82	37,228,269	12.02
Au Shuk Yee, Sue	245,844	0.07	245,844	0.08
Chow Mun Yee	201,600	0.06	201,600	0.07
Other Shareholders	<u>306,462,197</u>	<u>89.05</u>	<u>272,048,406</u>	<u>87.83</u>
	<u><u>344,137,910</u></u>	<u><u>100.00</u></u>	<u><u>309,724,119</u></u>	<u><u>100.00</u></u>

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

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

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

8. SHARE REPURCHASE MADE BY THE COMPANY

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

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

9. SHARE PRICE

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

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
July	1.06	0.67
August	0.79	0.64
September	0.76	0.61
October	0.71	0.54
November	0.91	0.63
December	1.84	0.83
2014		
January	2.13	1.58
February	2.15	1.85
March	2.52	1.80
April	2.25	1.96
May	2.25	1.80
June	2.45	1.93
July (up to the Latest Practicable Date)	3.09	2.30

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

EXECUTIVE DIRECTORS

Mr. Lo Kan Sun (“**Mr. Lo**”), aged 60, 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 and as Chairman in July 2013. 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 30 years of experience in finance, investment and banking in Hong Kong and Canada.

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

Mr. Lo did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Lo has received a remuneration of approximately HK\$1,058,000 for the year ended 31 March 2014, which was determined in accordance with his experience and contributions to the Company.

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

Ms. Au Shuk Yee, Sue (“**Ms. Au**”), aged 49, joined the Company as Executive Director in June 2006. Ms. Au has obtained a bachelor’s degree of science in accounting from Liberty University, Virginia and has more than 10 years of experience in business administration and accounting. Previously, Ms. Au was the managing director of a telecommunication equipment manufacturing and trading company and was the Chief Executive Officer of a listed company before joining the Company.

Ms. Au did not hold directorship in any other listed public companies in the last three years. Ms. Au is not connected with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Ms. Au has a corporate interest of 245,844 Shares within the meaning of Part XV of the SFO.

Ms. Au did not enter into any service contract with the Company and her appointment as a Director is subject to the rotational retirement requirements under the Articles. Ms. Au has received a remuneration of approximately HK\$712,000 for the year ended 31 March 2014, which was determined in accordance with her experience and contributions to the Company.

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

NON-EXECUTIVE DIRECTOR

Mr. Liu Kam Fai, Winston (“**Mr. Liu**”), aged 47, joined the Company as Non-executive Director in January 2011. Mr. Liu was appointed as executive director of Liu Chong Hing Investment Limited (“LCH Investment”) since 1997 and was redesignated as the deputy managing director in August 2008. Mr. Liu holds a Master’s degree in economics from the University of London, specialising in finance and macro-economic policy. Mr. Liu oversees LCH Investment’s strategic development, project implementation, as well as all aspects of business operations. Mr. Liu also serves as a director of a number of subsidiaries of LCH Investment. Mr. Liu is the son of Dr. Liu Lit Mo, LLD, MBE, JP. Mr. Liu is also a cousin of Mr. Andrew Liu, the Company’s Non-executive Director and substantial shareholder. LCH Investment is a company listed on the main board of the Stock Exchange.

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

Mr. Liu did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Liu has received a remuneration of HK\$120,000 for the year ended 31 March 2014, which was determined in accordance with his experience and contributions to the Company.

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Hung Cho Sing (“**Mr. Hung**”), aged 73, 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 consultant of the China Film Association since 2013. 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. Mr. Hung has been appointed by the HKSAR Government 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 has been appointed as an executive director of Universe International Holdings Limited in October 2013. He is also an independent non-executive director of China Star Entertainment Limited and Mascotte Holdings Limited. Mr. Hung was a non-executive director of Capital VC Limited from September 2011 to January 2014. All these companies are listed on the main board of the Stock Exchange.

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

Mr. Hung did not enter into any service contract with the Company and his appointment as a Director is subject to the rotational retirement requirements under the Articles. Mr. Hung has received a remuneration of HK\$240,000 for the year ended 31 March 2014, which was determined in accordance with his experience and contributions to the Company.

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

NOTICE OF ANNUAL GENERAL MEETING



FREEMAN FINANCIAL CORPORATION LIMITED

民豐企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

NOTICE IS HEREBY GIVEN that the annual general meeting of Freeman Financial Corporation Limited (the “Company”) will be held at 4:00 p.m. on Thursday, 28 August 2014 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company together with Reports of the Directors and the Auditors for the year ended 31 March 2014.
2. To declare a final dividend of HK\$0.01 per share of the Company for the year ended 31 March 2014 by way of a proposed Bonus Issue (as defined below).
 - (i) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval for the listing of, and permission to deal in, the Bonus Shares (as defined below), upon the recommendation of the Directors of the Company, an amount standing to the credit of the retained profits of the Company be capitalised and accordingly the Directors of the Company be and are hereby authorised and directed to apply such amount in paying up in full at par new ordinary shares of HK\$0.01 each in the capital of the Company (the “Bonus Shares”) and that such Bonus Shares shall be allotted and distributed, credited as fully paid up at par (subject as referred to in paragraph (ii) below), to and among members of the Company whose names appear on the register of members of the Company at the close of business on 10 September 2014 (the “Record Date”), other than those members whose addresses as shown on the register of members of the Company at the close of business on the Record Date are in places outside Hong Kong and in respect of whom the Directors of the Company consider the exclusion from the Bonus Issue to be necessary or expedient in accordance with the Rules Governing the Listing of Securities on the Stock Exchange, on the basis of one Bonus Share for every one existing share of HK\$0.01 each of the Company held by them respectively on the Record Date (the “Bonus Issue”);
 - (ii) no fractional Bonus Shares shall be allotted or issued to members of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the Bonus Shares to be issued pursuant to paragraph (i) above shall rank pari passu in all respects with the existing issued shares of HK\$0.01 each of the Company as at the date of issue of the Bonus Shares except that they will not rank for the Bonus Issue mentioned in this Resolution; and
 - (iv) the Directors of the Company be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in paragraph (i) of this Resolution.”
3. To re-elect Mr. Lo Kan Sun as an Executive Director of the Company.
 4. To re-elect Ms. Au Shuk Yee, Sue as an Executive Director of the Company.
 5. To re-elect Mr. Liu Kam Fai, Winston as a Non-executive Director of the Company.
 6. To re-elect Mr. Hung Cho Sing as an Independent Non-executive Director of the Company.
 7. To authorise the Board to fix the remuneration of Directors of the Company.
 8. To re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

9. **“THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(iv) for the purposes of this Resolution:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

10. **“THAT:**

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

12. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of share options under the share option scheme adopted by the Company on 31 August 2012 (the “Share Option Scheme”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of passing this Resolution (the “Refreshed Limit”) and that the Directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 28 July 2014

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Wednesday, 3 September 2014 to Wednesday, 10 September 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed bonus issue, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 2 September 2014.
6. A form of proxy for use at the AGM is enclosed herewith.

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

Executive Directors:

Mr. Lo Kan Sun (*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