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## **FREEMAN CORPORATION LIMITED**

### **民豐控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 279)

- (1) PLACING OF NEW SHARES UNDER GENERAL MANDATE;  
(2) REFRESHMENT OF GENERAL MANDATES TO ISSUE AND ALLOT  
SHARES AND REPURCHASE SHARES;  
AND  
(3) REFRESHMENT OF SCHEME MANDATE LIMIT OF  
SHARE OPTION SCHEME**

**Financial Adviser**



**結好融資有限公司**  
GET NICE CAPITAL LIMITED

**Placing Agent**



**結好投資有限公司**  
GET NICE INVESTMENT LTD.

#### **THE PLACING**

The Company has on 21 May 2007 entered into the Placing Agreement with the Placing Agent to procure subscribers, on a fully underwritten basis, to subscribe for 494,000,000 new Shares at a price of HK\$0.130 per Share. The Placing Shares represent approximately 10.00% of the Company's existing issued share capital and approximately 9.09% of its issued share capital as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 14.47% to the closing price of the Shares of HK\$0.152 quoted on the Stock Exchange on 21 May 2007, being the date of the Placing Agreement; (ii) a discount of approximately 14.47% to the average closing price of the Shares of HK\$0.152 quoted on the Stock Exchange for the five consecutive trading days up to and including 21 May 2007; and (iii) a discount of approximately 11.56% to the average closing price of the Shares of HK\$0.147 quoted on the Stock Exchange for the ten consecutive trading days up to and including 21 May 2007.

The gross proceeds from the Placing will be approximately HK\$64.22 million. The Company plans to use the entire net proceeds from the Placing of approximately HK\$62.18 million as part of the HK\$300 million funding expected to be capitalised for the Group's financial services businesses including the insurance agency, life insurance, corporate finance advisory, proprietary trading, underwriting and financial related business.

The Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares.

**REFRESHMENT OF GENERAL MANDATE**

In order to provide a flexible mean for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board propose to refresh the general mandates for the Directors to (i) issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; and (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM. The Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate will be subject to the independent Shareholders' approval by way of poll at the EGM.

**REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

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 Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM.

**PLACING AGREEMENT DATED 21 MAY 2007****Issuer:**

The Company

**Placing Agent and Placees:**

Get Nice Investment Limited is the Placing Agent, who does not own any Shares as at the date of this announcement and is not a connected person (as defined in the Listing Rules) of the Company and is independent from and not connected with the Company and its connected persons (as defined in Listing Rules).

The Placing Shares will be placed to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and will be independent from and not connected with the Company and its connected persons (as defined in Listing Rules). It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

**Number of Placing Shares:**

494,000,000 new Shares, representing approximately 10.00% of the Company's existing issued share capital and approximately 9.09% of its issued share capital as enlarged by the Placing.

**Placing Price:**

The Placing Price of HK\$0.130 per Share was agreed after arm's length negotiations between the Company and the Placing Agent. Such price represents (i) a discount of approximately 14.47% to the closing price of the Shares of HK\$0.152 quoted on the Stock Exchange on 21 May 2007, being the date of the Placing Agreement; (ii) a discount of approximately 14.47% to the average closing price of the Shares of HK\$0.152 quoted on the Stock Exchange for the five consecutive trading days up to and including 21 May 2007; and (iii) a discount of approximately 11.56% to the average closing price of the Shares of HK\$0.147 quoted on the Stock Exchange for the ten consecutive trading days up to and including 21 May 2007.

The net placing price for the Placing is approximately HK\$0.126 per Share.

The Directors consider that the Placing Price is fair and reasonable and in the interest of the Company and its shareholders as a whole.

**Underwriting commission payable to the Placing Agent:**

The Placing is fully underwritten by the Placing Agent with underwriting commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

**Ranking of Placing Shares:**

The Placing Shares will rank pari passu in all respects among themselves and with the existing issued Shares.

**Condition of the Placing:**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all of the Placing Shares.

The condition must be fulfilled on or before 15 June 2007 (or such other date as agreed by the parties), failing which the Placing shall cease and terminate.

**Completion:**

The Placing shall complete at not later than the second Business Day after the fulfillment of the condition of the Placing (or such later date as may be agreed between the parties to the Placing Agreement in writing).

**REASONS FOR THE PLACING AND USE OF PROCEEDS**

The principal activity of the Company is investment holding. The Group is principally engaged in the trading of securities, provision of finance, property holding, insurance business and investment holding.

In view of the current strong sentiment of the stock market in general and the encouraging public response to the Shares as reflected in the over-subscription of the Company's recent rights issue as well as the substantial funding requirements for the insurance business and related financial service business of the Group, the Directors consider that the timing for a further fund raising exercise for the purpose mentioned below is appropriate. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Placing will be approximately HK\$64.22 million. The Company intends to use the entire net Placing proceeds of approximately HK\$62.18 million as part of the HK\$300 million funding expected to be capitalized for the Group's financial services businesses including the insurance agency, life insurance, corporate finance advisory, proprietary trading, underwriting and financial related business.

**FUND RAISING EXERCISES DURING THE PAST 12 MONTHS**

| <b>Date of announcement</b> | <b>Event</b>   | <b>Net proceeds raised (approximately)</b> | <b>Proposed use of the net proceeds</b>   | <b>Actual use of the net proceeds</b>   |
|-----------------------------|--|--|---|---|
| 20 October 2006             | placing of 66,000,000 new Shares under the placing agreement dated 18 October 2006             | HK\$16.17 million                          | To be used for general working capital  | HK\$3.38 million as deposit to acquire a property and HK\$12.79 million as general working capital  |
| 22 November 2006            | placing of convertible notes with a principal amount of up to HK\$300 million<br><i>(Note)</i> | HK\$52.2 million<br><i>(Note)</i>          | To be used for strengthening and developing financial services arm of the Group which include the establishing of the new life insurance business of the Group  | HK\$52.2 million as general working capital   |
| 21 February 2007            | placing of 346,000,000 new Shares on a fully underwritten basis                                | HK\$33.8 million                           | To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong | HK\$33.8 million as general working capital   |
| 21 February 2007            | placing of 654,000,000 new Shares on a best effort basis                                       | HK\$64.3 million                           | To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong | HK\$10 million has been injected into the wholly-owned subsidiary which was established for conducting long term life insurance business in Hong Kong |

| Date of announcement | Event  | Net proceeds raised (approximately) | Proposed use of the net proceeds   | Actual use of the net proceeds                |
|----------------------|--|-------------------------------------|--|---|
| 23 March 2007        | rights issue of not less than 1,236,986,824 rights shares and not more than 1,564,736,824 rights shares on the basis of one rights share for every two existing Shares | HK\$182.0 million                   | To be used for the possible acquisition of companies engaging in the insurance business and the development of insurance and financial services business, and to strengthen the Company's existing investments in financial service industry which include the trading of securities, provision of finance, insurance business and investment holding. | Pending as the transaction was just completed |

*Note:* Pursuant to a conditional convertible notes placing agreement dated 20 November 2006 entered into between the Company and a placing agent in relation to the placing of convertible notes with principal amount of HK\$300 million, convertible notes of HK\$100 million have been placed on a fully underwritten basis. Convertible notes of up to HK\$200 million to be placed on a best effort was not proceed as a result of the termination of this placing agreement on 16 February 2007 as announced by the Company on 21 February 2007. The convertible notes amounting to HK\$100 million have been (i) redeemed by the Company amounting to HK\$45 million; and (ii) converted into the Shares by conversion of HK\$55 million by certain holders of the convertible notes.

## SHAREHOLDING STRUCTURE

| Shareholder   | As at the date of this announcement |               | Immediately after completion of the Placing |               |
|---|-------------------------------------|---------------|---|---------------|
|   | Number of Shares                    | %             | Number of Shares                            | %             |
| Directors and their associates ( <i>Note 1</i> )        | 55,500,000                          | 1.12          | 55,500,000                                  | 1.02          |
| Parkson Group Limited ( <i>Note 2</i> )                 | 300,000,000                         | 6.08          | 300,000,000                                 | 5.52          |
| Willie International Holdings Limited ( <i>Note 3</i> ) | 322,518,000                         | 6.53          | 322,518,000                                 | 5.94          |
| Public Shareholders:                                    |                                     |               |   |               |
| – The Placees   | –                                   | –             | 494,000,000                                 | 9.09          |
| – Others  | 4,260,742,473                       | 86.27         | 4,260,742,473                               | 78.43         |
| <b>Total</b>  | <b>4,938,760,473</b>                | <b>100.00</b> | <b>5,432,760,473</b>                        | <b>100.00</b> |

*Notes:*

- Mr. Yang Fan Shing, Andrew, being a Director, and his wife have personal interests in 30,000,000 Shares and 3,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 22,500,000 Shares.
- Mr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
- The shares of Willie International Holdings Limited (stock code: 273) are listed on the main board of the Stock Exchange.

## NEW GENERAL MANDATES

At the extraordinary general meeting of the Company held on 2 April 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 494,794,729 Shares, which is equivalent to 20% of the then issued share capital of the Company and (ii) to repurchase up to 247,397,364 Shares on the Stock Exchange, representing 10% of the then issued share capital of the Company.

As at the date of this announcement, no Share has been issued and allotted pursuant to the Existing General Mandate. The Placing Shares will utilize 99.84% of the 494,794,729 Shares that are allowed to be issued and allotted pursuant to the Existing General Mandate.

In order to provide a flexible mean for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposes to refresh the general mandates for the Directors to (i) issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; and (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM.

As at the date of this announcement, the existing authorised share capital of the Company consists of 10,000,000,000 Shares out of which 4,938,760,473 Shares are issued and fully paid up. Based on the 5,432,760,473 Shares in issue as enlarged by the Placing (assuming that the Placing could be completed and the Placing Shares could be issued to the Placees on or before the date of the EGM) and assuming that no further Shares are repurchased and issued prior to the EGM, subject to the passing of the relevant ordinary resolutions to approve the New General Mandates at the EGM, the Directors will be authorized to allot and issue up to a limit of 1,086,552,094 Shares under the Issue Mandate; and to repurchase up to 543,276,047 Shares under the Repurchase Mandate. The Directors consider that the Issue Mandate and the Repurchase Mandate will enhance the flexibility for the Company to manage its business and therefore the New General Mandates are fair and reasonable and the granting of the New General Mandates are in the interests of the Company and the Shareholders as a whole.

#### **REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

The Board also proposes to seek the approval of the Shareholders to refresh the 10% scheme mandate limit of the Share Option Scheme. Under the current limit of the Share Option Scheme, the Directors were authorized to grant options to subscribe for up to 247,397,364 Shares, representing 10% of the issued share capital of the Company as at the date of the extraordinary general meeting of the Company held on 2 April 2007 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 2 April 2007 and up to the date of this announcement, the Company has granted and the grantees have exercised in full options to subscribe for a total of 246,800,000 Shares under the Share Option Scheme. As at the date of this announcement, no option to subscribe for Shares was outstanding.

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 Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM. The Directors consider that such refreshment of the scheme mandate limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

Based on the 5,432,760,473 Shares in issue as enlarged by the Placing (assuming that the Placing could be completed and the Placing Shares could be issued to the Placees on or before the date of the EGM) and assuming that no further Shares are repurchased and issued prior to the EGM, and no share options are being granted prior to the EGM, upon the approval of the refreshment of the scheme mandate limit of the Share Option Scheme, the Directors will be authorized to issue options to subscribe for a total of 543,276,047 Shares, representing 10% of the total number of Shares in issue as enlarged by the Placing as at the date of EGM. However, the 597,364 share options not previously granted under the Share Option Scheme will not be counted for the purpose of refreshing the scheme mandate limit of the Share Option Scheme.

No outstanding share options of the Company will lapse as a result of the refreshment of the scheme mandate limit of the Share Option Scheme 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 date of this announcement. Save for the Share Option Scheme, the Company has no other share option schemes as at the date of this announcement.

#### **GENERAL**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares and the Option Shares.

The Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate will be subject to the independent Shareholders' approval by way of poll at the EGM, and the Directors, Mr. Yang Fan Shing, Andrew, and his associates (including, his wife and Parkson Group Limited) and Ms. Kwok Wai Ming are required to abstain from voting in favour thereon. The Company will form an Independent Board Committee comprising the independent non-executive Directors and appoint an independent financial adviser to advise the Independent Board Committee and independent Shareholders on the Issue Mandate.

A circular containing, among other things, details regarding (i) New General Mandates; (ii) refreshment of the scheme mandate limit of the Share Option Scheme; (iii) letter of recommendation from the Independent Board Committee on the refreshment of the Issue Mandate; (iv) letter of recommendation from the independent financial adviser to the Independent Board Committee and independent Shareholders on the refreshment of the Issue Mandate; and (v) a notice convening the EGM will be despatched to the Shareholders as soon as possible.

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

|                               |   |
|-------------------------------|---|
| “associate(s)”                | the meaning ascribed thereto in the Listing Rules   |
| “Board”                       | the board of Directors  |
| “Business Day”                | any day (other than a Saturday or Sunday) on which banks in Hong Kong generally are open for business   |
| “Company”                     | Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 279)  |
| “Director(s)”                 | the director(s) of the Company  |
| “EGM”                         | an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the New General Mandates and new scheme mandate limit of the Share Option Scheme  |
| “Existing General Mandate”    | the general mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company on 2 April 2007, among other things, to allot, issue and deal with up to 494,794,729 Shares, representing 20% of the then issued share capital of the Company and to repurchase up to 247,397,364 Shares, representing 10% of the then issued share capital of the Company |
| “Group”                       | the Company and its subsidiaries  |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Independent Board Committee” | an independent committee of the Board established by the Board to advise the independent Shareholders in respect of the Issue Mandate   |
| “Issue Mandate”               | the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM   |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “New General Mandates”        | the Issue Mandate and Repurchase Mandate  |
| “Option Share(s)”             | the Share(s) to be issued pursuant to the exercise of share options to be granted under the new scheme mandate limit of the Share Option Scheme   |
| “Placees”                     | any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement   |
| “Placing”                     | placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement  |
| “Placing Agent”               | Get Nice Investment Limited, a deemed licensed corporation within the meaning of the SFO  |
| “Placing Agreement”           | a conditional placing agreement entered into between the Company and the Placing Agent dated 21 May 2007 in relation to the Placing   |



|                       |  |
|-----------------------|--|
| “Placing Price”       | HK\$0.130 per Placing Share  |
| “Placing Shares”      | 494,000,000 new Shares to be placed under the Placing  |
| “Repurchase Mandate”  | the mandate proposed to be sought at the EGM to authorize the Directors to exercise power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM |
| “SFO”                 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Shareholder(s)”      | holder(s) of Share(s)  |
| “Share(s)”            | ordinary share(s) of HK\$0.10 each in the share capital of the Company   |
| “Share Option Scheme” | the share option scheme adopted and approved by the Company on 23 August 2002  |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited  |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong  |
| “%”                   | per cent   |

By order of the Board of  
**Freeman Corporation Limited**  
**Kwong Wai Tim, William**  
*Managing Director*

Hong Kong, 21 May 2007

*As at the date of this announcement, the executive Directors are Mr. Yang Fan Shing, Andrew, Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue, and the independent non-executive Directors are Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitelam.*