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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)

CONNECTED TRANSACTION - PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND REFRESHMENT OF THE SCHEME MANDATE LIMIT AND THE ISSUE MANDATE

Placing Agent

CHUNG NAM SECURITIES LIMITED

THE PLACING

On 25 November 2009 after trading hours, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to procure the Placees to subscribe an aggregate of 100,000,000 Placing Shares at a price of HK\$0.48 per Placing Share. On 26 November 2009, the Placing Agent confirmed to the Company that it has successfully procured not less than six independent Placees to subscribe for 100,000,000 Placing Shares.

The Placing Shares under the Placing represent approximately 42.65% of the existing issued share capital of the Company of 234,463,499 Shares as at the date of this announcement and approximately 29.90% of the issued share capital of the Company of 334,463,499 Shares as enlarged by the issue of the Placing Shares. The Placing Shares will be issued under the Specific Mandate to be sought at the EGM. An application will be made to the Stock Exchange for listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HK\$48 million and the net proceeds from the Placing of approximately HK\$46.17 million will be used as general working capital of the Group.

The Placing Agent is a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. The Placing Agreement therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As a relevant percentage ratio under Rule 14.07 of the Listing Rules is more than 2.5% but less than 25% and the commission to be paid to the Placing Agent under the Placing Agreement is less than HK\$10 million, the Placing is subject only to reporting and announcement requirements under Rule 14A.32 of the Listing Rules.

GENERAL

The Company also intends to put forward the proposals for the refreshment of the Scheme Mandate Limit and the Issue Mandate for approval by the Shareholders at the EGM.

The EGM will be convened and held for the purpose of considering, and, if thought fit, approving, inter alia, the Placing (including the grant of the Specific Mandate), the refreshment of the Scheme Mandate Limit and the Issue Mandate.

A circular containing, among other things, further details of the Placing, and the refreshment of the Scheme Mandate Limit and the Issue Mandate; together with the notice of the EGM, will be dispatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules

As completion of the Placing is subject to the satisfaction of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 26 November 2009 pending the release of this announcement relating to the Placing. Application for the resumption of trading in the Shares with effect from 9:30 a.m. on 27 November 2009 has been made by the Company.

THE PLACING AGREEMENT

Date:

25 November 2009

Issuer:

The Company

Placing Agent:

Chung Nam Securities Limited is the Placing Agent. The Placing Agent is indirectly-owned as to approximately 51.6% by the Company and is an indirect non-wholly owned subsidiary of the Company.

Placees:

On 26 November 2009, the Placing Agent confirmed to the Company that it has successfully procured not less than six Placees to subscribe 100,000,000 Placing Shares. The Placees, are independent individual, corporation and/or institutional investors, who and whose ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. The Placing Agent confirmed that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Placing.

Placing Period:

A period commencing on the date of the Placing Agreement and ending on a day falling 10 days after the date of the EGM. As at the date of this announcement, the Placing Agent has already procured Placees for all of the 100,000,000 Placing Shares.

Number of Placing Shares:

The Placing Shares under the Placing represent approximately 42.65% of the existing issued share capital of the Company of 234,463,499 Shares as at the date of this announcement and approximately 29.90% of the issued share capital of the Company of 334,463,499 Shares as enlarged by the issue of the Placing Shares.

Ranking of Placing Shares:

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price:

The Placing Price of HK\$0.48 represents:

- (i) a discount of approximately 15.79% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.19% to the average closing price of HK\$0.566 per Share in the last five consecutive trading days up to and including the Last Trading Day; and

- (iii) a discount of approximately 19.73% to the average closing price of HK\$0.598 per Share in the last ten consecutive trading days up to and including the Last Trading Day.

The net placing price for the Placing is approximately HK\$0.4617 per Placing Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. Having considered the current market conditions and taking into consideration that completion of the Placing will not take place until at least one month from the date of the Placing Agreement to allow for approval by Shareholders at the EGM, the Directors consider that the Placing Price is fair and reasonable.

Placing commission payable to the Placing Agent:

The Placing Agent will receive a placing commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed.

Conditions of the Placing Agreement:

Completion of the Placing is conditional upon fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the approval of the Placing Agreement and the transactions contemplated thereunder (including the issue of the Placing Shares) by Shareholders at the EGM in accordance with the Listing Rules.

If the conditions are not fulfilled on or prior to 15th January, 2010 (or such other date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and neither of the parties shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Termination and force majeure:

If, at any time prior to 9:00 a.m. on the date of completion of the Placing Agreement, in the sole and absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement;
or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or

- (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not ejusdem generis with any of the foregoing, resulting in a material adverse change in, or which might reasonably be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (d) a change or development involving a prospective change in taxation in Hong Kong or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company prior to 9:00 a.m. on the date of completion of the Placing Agreement.

Specific Mandate:

The Placing Shares will be issued under the Specific Mandate to be sought at the EGM. An application will be made to the Stock Exchange for listing of, and permission to deal in, the Placing Shares.

Completion:

Completion of the Placing shall take place on the third business day upon the fulfillment of the conditions of the Placing (or such other date as may be agreed between the Company and the Placing Agent).

As completion of the Placing is subject to the satisfaction of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in trading of securities, provision of financial services, property holding, insurance business and investment holding.

The gross proceeds from the Placing will be approximately HK\$48 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of approximately HK\$46.17 million will be used as general working capital of the Group.

The Directors are of the view that the Placing will strengthen the Group's financial position and the Company can take this opportunity to broaden its capital base and shareholders' base. The Directors have considered different types of fund raising arrangement such as rights issue and open offer and the Directors consider that the Placing is the most efficient way in terms of cost and time involved for the Company.

On the basis of the above, the Directors are of the view that the Placing is fair and reasonable and in the interests of Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
8 January 2009	Rights issues	HK\$103.8 million	HK\$ 90 million for the subscription for the convertible notes pursuant to the subscription agreement in relation to a convertible note to be issued by HCG and the remaining proceeds as the general working capital	Used as intended
19 October 2009	Placing of 39,000,000 new Shares under general mandate on fully underwritten basis	HK\$22.5 million	Repayment of the debts of the Group	Used as intended

Save as disclosed above, the Company has not conducted any fund raising activity in the past twelve months immediately before the date of this announcement.

SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing are illustrated as below:-

	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Executive Directors				
Dr. Yang Fan Shing, Andrew	66,000	0.03%	66,000	0.02%
Ms. Kwok Wai Ming	3,640,600	1.55%	3,640,600	1.09%
Ms. Au Shuk Yee, Sue	1,229,000	0.53%	1,229,000	0.37%
Places	-	-	100,000,000	29.90%
Other public Shareholders	<u>229,527,899</u>	<u>97.89%</u>	<u>229,527,899</u>	<u>68.62%</u>
Total	<u>234,463,499</u>	<u>100.00%</u>	<u>334,463,499</u>	<u>100.00%</u>

REFRESHMENT OF SCHEME MANDATE LIMIT AND ISSUE MANDATE

The Company intends to put forward the proposals for the refreshment of the Scheme Mandate Limit and the Issue Mandate for approval by the Shareholders at the EGM.

LISTING RULES IMPLICATIONS

The Placing Agent is a licensed corporation under the SFO to carry out type 1 (dealing in securities) regulated activity. As at the date of the Placing Agreement, the Company owned approximately 51.6% of HCG which wholly owns the Placing Agent. Therefore, the Placing Agent in turn is a non-wholly owned subsidiary of the Company and accordingly a connected person of the Company within the meaning of Rule 14A.11 of the Listing Rules. Therefore, the Placing Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

The placing commission was determined after arm's length negotiation between the parties on normal commercial terms with reference to the prevailing market practice. Upon completion of the Placing, the Placing Agent will receive a commission of HK\$1,200,000 for procuring the Placing of 100,000,000 Placing Shares at the Placing Price. As a relevant percentage ratio under Rule 14.07 of the Listing Rules is more than 2.5% but less than 25% and the commission to be paid to the Placing Agent under the Placing Agreement is less than HK\$10 million, the Placing is subject only to the

reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Rule 14A.32 of the Listing Rules.

EGM

The EGM will be convened and held for the purpose of considering, and, if thought fit, approving, inter alia, the Placing (including the grant of the Specific Mandate), the refreshment of the Scheme Mandate Limit and the Issue Mandate.

To the best knowledge of the Directors, no Shareholder has a material interest in the transactions contemplated under the Placing Agreement. Accordingly, no Shareholder will be required to abstain from voting at the EGM in respect of the resolution(s) relating to the Placing.

Pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Issue Mandate will be subject to the Independent Shareholders' approval at the EGM. As at the date hereof, certain executive directors hold shares in the Company as set out in the section headed "Shareholding Structure" in this announcement. Since there is no controlling Shareholder of the Company, the executive Directors (including Dr. Yang Fan Shing, Andrew, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue) and the chief executive of the Company and their respective associates (to the extent they hold any Shares at the time of the EGM) are required to abstain from voting at the EGM in respect of the resolution relating to the refreshment of the Issue Mandate.

No Shareholder will be required to abstain from voting at the EGM in respect of the resolution relating to the refreshment of the Scheme Mandate Limit.

GENERAL

A circular containing, among other things, further details of the Placing, and the refreshment of the Scheme Mandate Limit and the Issue Mandate; together with the notice of the EGM, will be dispatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 26 November 2009 pending the release of this announcement relating to the Placing. Application for the resumption of trading in the Shares with effect from 9:30 a.m. on 27 November 2009 has been made by the Company.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“Company”	Freeman Corporation Limited (Stock code: 279), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, inter alia, the Placing Agreement, the transactions contemplated thereunder (including the grant of the Specific Mandate) and the refreshment of the Scheme Mandate Limit and the Issue Mandate
“Group”	the Company and its subsidiaries
“HCG”	Hennabun Capital Group Limited, an indirect non-wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Shareholder”	any Shareholders other than controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, executive Directors and the chief executive of the Company and their respective associates
“Issue Mandate”	the general mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM

“Last Trading Day”	25 November 2009, being the last trading day of the Shares before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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”	the placing of 100,000,000 new Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a licensed corporation within the meaning of the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Placing Agent and the Company dated 25 November 2009 in respect of the Placing
“Placing Price”	HK\$0.48 per Share
“Placing Shares”	100,000,000 new Shares to be placed under the Placing
“Scheme Mandate Limit”	the Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 23 August 2002
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Placing Shares pursuant to the Placing Agreement

“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
Mr. Lo Kan Sun
Managing Director

Hong Kong, 26 November 2009

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

Executive Directors:

Dr. Yang Fan Shing, Andrew (Chairman)
Mr. Lo Kan Sun (Managing Director)
Ms. Kwok Wai Ming
Ms. Au Shuk Yee, Sue
Mr. Scott Allen Phillips

Independent non-executive Directors

Mr. Chiu Siu Po
Ms. Hui Wai Man, Shirley
Mr. Gary Drew Douglas
Mr. Peter Temple Whitelam