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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**KINGSTON SECURITIES LIMITED**

#### **THE PLACING**

On 29 September 2010 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis, 118,950,000 Placing Shares at a price of HK\$0.32 per Placing Share to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

The 118,950,000 Placing Shares under the Placing represent (i) approximately 20% of the existing issued share capital of the Company of 594,751,437 Shares as at the date of this announcement and (ii) approximately 16.67% of the then issued share capital of 713,701,437 Shares as enlarged by the Placing, assuming no further change in the number of outstanding issued shares of the Company prior to and up to completion of the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$11,895,000.

The Placing Price of HK\$0.32 represents a discount of approximately 15.79% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.347 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HK\$38.1 million. The net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$36.9 million which is intended to be used for general working capital of the Group. The net price raised per Placing Share upon the completion of the Placing will be approximately HK\$0.31 per Share.

## **THE PLACING AGREEMENT**

### **Date**

29 September 2010 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

The Placing Agent has conditionally agreed to place 118,950,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons. As at the date of this announcement, the Placing Agent holds 3 (three) Shares.

### **Placees**

The Placing Agent will place the Placing Shares, on a fully underwritten basis, at a price of HK\$0.32 per Placing Share to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

## **Number of Placing Shares**

The 118,950,000 Placing Shares under the Placing represent (i) approximately 20% of the existing issued share capital of the Company of 594,751,437 Shares as at the date of this announcement and (ii) approximately 16.67% of the then issued share capital of 713,701,437 Shares as enlarged by the Placing, assuming no further change in the number of outstanding issued shares of the Company prior to and up to completion of the Placing. The aggregate nominal value of the Placing Shares under the Placing will be HK\$11,895,000.

## **Ranking of Placing Shares**

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

## **Placing Price**

The Placing Price of HK\$0.32 represents a discount of approximately 15.79% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.347 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **The Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal in the Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 118,950,287 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate.

## **Conditions of the Placing Agreement**

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

## **Termination and force majeure**

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the completion of the Placing and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.
- (ii) The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 10:00 a.m. on the date of completion of the Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

- (iii) If, at or prior to 10:00 a.m. on the date of completion of the Placing;
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
  - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or circulars relating to the Placing; or
  - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

### **Completion of the Placing**

Completion of the Placing will take place on or before the fourth business day after the fulfillment of the conditions set out in the Placing Agreement but not later than 15 October 2010 or such later date as may be agreed between the Company and the Placing Agent.

**Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

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

The Company was incorporated in the Cayman Islands with limited liability. The principal business activities of the Group are the trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business, securities brokerage, investment advisory and investment holding.

The Company was recently approached by the Placing Agent, who indicated very keen investors' interests in and strong demand for the Shares. The Board has also noted the recent strong share price performance of the Company, and that the fully underwritten Placing Price of HK\$0.32 per Share is significantly higher than the price per Share of HK\$0.275 under the most recent share placement exercise conducted by the Company. The Board therefore believes this is an opportune time to leverage upon the Placing to broaden the shareholder base of the Company and to raise additional capital for the Group.

The gross proceeds from the Placing will be approximately HK\$38.1 million. The net proceeds from the Placing will amount to approximately HK\$36.9 million which is intended to be used for general working capital of the Group. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.31 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company.

#### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
9 August 2010	Issue of 99,125,239 new Shares and proposed issue of convertible bonds in the principal amount of HK\$275,000,000 <sup>Note</sup>	HK\$27.2 million	Expanding the financial services business and general working capital	Applied as intended
9 April 2010	Placing of 76,270,000 new Shares	HK\$37.09 million	General working capital	Applied as intended
22 January 2010	Placing of 46,892,699 new Shares	HK\$25.04 million	General working capital	Applied as intended
19 October 2009	Placing of 39,000,000 new Shares	HK\$22.5 million	Repayment of the debts of the Group	Applied as intended

*Note:* The convertible bonds in the aggregate principal amount of up to HK\$550,000,000 will be issued subject to the terms and conditions bond subscription agreement dated 9 August 2010. Further details of the aforementioned convertible bonds please refer to the announcement of the Company dated 9 August 2010.

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

## **EFFECTS ON SHAREHOLDING STRUCTURE**

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

<b>Shareholders</b>	<b>As at the date of this announcement</b>		<b>Immediately after the completion of the Placing</b>	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
<b>Executive Directors:</b>				
Dr. Yang Fan Shing, Andrew	66,000	0.01	66,000	0.01
Ms. Au Shuk Yee, Sue	1,229,000	0.21	1,229,000	0.17
<b>Substantial Shareholder:</b>				
Mr. Liu, Andrew	99,125,239	16.67	99,125,239	13.89
<b>Public:</b>				
Placees	–	–	118,950,000	16.67
Other public shareholders	494,331,198	83.11	494,331,198	69.26
<b>Total</b>	<b>594,751,437</b>	<b>100.00</b>	<b>713,701,437</b>	<b>100.00</b>

*Notes:*

- As at the date of this announcement, the convertible bonds in the aggregate principal amount of up to HK\$550,000,000 have not yet been issued. For further details of the aforementioned convertible bonds, please refer to the announcement of the Company dated 9 August 2010. Should the convertible bonds be issued and converted into new Shares in full, the total number of issued Share will be enlarged by 2,000,000,000 Shares, based on the initial conversion price of the convertible bonds of HK\$0.275 per Share.
- Included in public Shareholders, the Placing Agent holds 3 Shares as at the date of this announcement.

## **GENERAL**

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

## TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 31 August 2010 at which (among others) a resolution for the grant of the General Mandate was passed by the Shareholders;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	A day (other than a Saturday, a Sunday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00a.m.) on which banks in Hong Kong are generally open for business;
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any independent professional, institutional or other 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 118,950,000 new Shares pursuant to the terms of the Placing Agreement;



“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 29 September 2010 in relation to the Placing;
“Placing Price”	HK\$0.32 per Placing Share;
“Placing Share(s)”	118,950,000 new Shares to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board  
**Freeman Corporation Limited**  
**Suen Yick Lun, Philip**  
*Executive Director*

Hong Kong, 29 September 2010

*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*)  
Mr. Hui Quincy Kwong Hei (*Managing Director*)  
Ms. Au Shuk Yee, Sue  
Mr. Scott Allen Phillips  
Mr. Suen Yick Lun, Philip

*Independent Non-executive Directors:*

Roger Thomas Best, *JP*  
Mr. Gary Drew Douglas  
Mr. Peter Temple Whitelam  
Dr. Agustin V. Que