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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)

DISCLOSEABLE TRANSACTION - DISPOSAL OF SUBSIDIARY

On 17 May 2010, the Vendor, a subsidiary of the Company, entered into the Agreement with the Purchaser to procure the sale of the Sale Share at the Sale Price of Sunny Soar, a subsidiary of the Company. At the same date, the Vendor, the Purchaser and Sunny Soar also entered into an Assignment loan agreement. The total consideration is HK\$52 million, which will be satisfied in cash.

The disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

On 17 May 2010, the Vendor, a subsidiary of the Company, entered into the Agreement with the Purchaser to procure the sale of the Sale Share at the Sale Price of Sunny Soar, a subsidiary of the Company. At the same date, the Vendor, the Purchaser and Sunny Soar also entered into an Assignment loan agreement.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Parties

Vendor: Future Master Investments Limited (“Future Master”), a company incorporated in British Virgin Islands with limited liability and a subsidiary of the Company.

Purchaser: Apple Worth Limited (“Apple Worth”), a company incorporated in British Virgin Islands with limited liability and a subsidiary of Willie International. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the purchaser and its ultimate beneficial owner(s) are not connected persons of the Group or their respective associate(s).

Guarantor: The Company

Total

Consideration HK\$52 million, which will be satisfied in cash

Subject matters

Pursuant to the Agreement:

- (i) for the sum of the nominal value of the Loan, assign to the Purchaser absolutely all its rights title and interests in the Loan free and clear of mortgages, charges, liens on third party rights of any nature; and
- (ii) for the balance of the sum of the Consideration of HK\$52 million after deducting the sum of the nominal value of the Loan, sell or procure the sale of the Sale Share, and the Purchaser shall purchase or procure the purchase of the Sale Share, free from all Encumbrances together with all rights now or hereinafter attaching to it, including all rights to any dividends or other distributions declared made or paid on or after the date of the Agreement and prior to the Completion; and
- (iii) Upon signing of the Agreement, the Consideration of HK\$52 million in aggregate is to be satisfied by the Purchaser to the Vendor in full and final satisfaction of the Purchaser's obligation to pay the Consideration.

Conditions

The respective obligations of the parties to effect completion of the sale and purchase of the Sale Share in accordance with the agreement shall be conditional upon the following conditions being fulfilled:-

- (A) (i) the due diligence investigation to be carried out pursuant to the agreement having been completed to the satisfaction of the Purchaser in its sole discretion;
- (ii) the Vendor shall procure Wise Sky to be transferred to the Company free from all Encumbrances together with all rights now or hereinafter attaching to it;
- (iii) in relation to the transaction(s) contemplated in the Agreement, all relevant regulatory requirements having been complied with and satisfied;

- (iv) all other consents or approvals of the shareholders or fellow shareholders of the parties for the Agreement and the transactions contemplated thereunder, if required; and
 - (v) all necessary consents or approvals being granted by third parties for the Agreement and the transactions contemplated thereunder, if required.
- (B) Each party shall use its reasonable endeavours and co-operate to ensure the fulfilment of the Conditions by the date specified in (C). The Vendor shall pay for the costs and expenses in connection with the fulfilment of the Conditions set out in A.
- (C) If the Conditions have not been fulfilled (or waived by the Purchaser save that the Purchaser cannot waive the Conditions referred to in Sub-clause (A)(ii), (iii), (iv) & (v)) on or before 5:00 p.m. on the date of the final day of the 6th month upon signing of the Agreement (or such other date as the Vendor and the Purchaser may agree in writing) and the Purchaser gives notice to terminate this Agreement, the Agreement shall thereupon terminate. On termination of the Agreement, (i) the Vendor shall return to the Purchaser the Consideration of HK\$52 million so paid by the Purchaser in accordance with Clause 3(B) of the Agreement and (ii) the parties shall have no further claims against each other under the Agreement for costs, damages compensation or otherwise, save in respect of antecedent breaches and claims.

Warranties

The Guarantor and the Vendor are jointly and severally represent and warrant and undertake to the Purchaser in the terms set out in the Agreement.

The Vendor undertakes to refund the Consideration of HK\$52 million so paid by the Purchaser from signing of the Agreement in accordance with Conditions of the Agreement in the event that the Conditions have not been fulfilled.

Completion

Completion of the sale and purchase of the Sale Share shall take place at 11:00 a.m. on the third business day after the date on which all of the Conditions shall have been satisfied or waived by the Purchaser (or such other time and date as the parties hereto may agree) at 8/F., China United Centre, 28 Marble Road, North Point, Hong Kong (or such other place as the parties hereto may agree).

The Assignment shall be duly executed by the Vendor and Sunny Soar.

Upon the completion of the sale and purchase of the Sale Share, the Disposal Group will cease to be the subsidiary of the Company and not be consolidated.

REASON FOR THE DISPOSAL

The Directors consider that the disposal of the Disposal Group represents a good opportunity for the Group to realize its investment in property and provide working capital for the Group in view of the present property market in Hong Kong.

The terms of the Agreement were negotiated on an arm's length basis and were made on normal commercial terms. The Directors consider that the disposal of the Disposal Group is in the interest of the Company and Shareholders as a whole and the terms of which are fair and reasonable.

USE OF PROCEEDS

The proceeds from the Disposal shall be applied towards the Group's working capital.

GENERAL

The Company is an investment holding company. The Group is principally engaged in the trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business, and investment holding. There is no change in principal activities of the Company upon the completion of Sale Share.

The Disposal Group is engaged in investment holding, property holding and investment in Hong Kong. For the 12 months period ended 31 March 2009, the unaudited pro-forma consolidated net loss before (after) taxation and extraordinary items was approximately HK\$5.9 million (HK\$5.1 million), and the unaudited pro-forma consolidated Net Asset Value was approximately HK\$0.1 million. For the 12 months period ended 31 March 2010, the unaudited pro-forma consolidated net profit before (after) taxation and extraordinary items of was approximately HK\$9.8 million (HK\$8.9 million), and the unaudited pro-forma consolidated Net Asset Value was HK\$9.0 million as of 31 March 2010. The loss on disposal of Disposal Group will be approximately HK\$1.0 million which is subject to the finalization of the completion account.

The Agreement constitutes a discloseable transaction under Rule 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement entered into between the vendor and the purchaser for sale and purchase of the entire issued capital of Sunny Soar
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“Assignment”	the deed of assignment of Loan entered into between Future Master (the “Assignor”), Apple Worth (the “Assignee”) and Sunny Soar
“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 whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal Group”	means Sunny Soar, Wise Sky and the Subsidiaries
“Group”	the Company and its subsidiaries
“Guarantor”	the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	an interest-free loan owing by Disposal Group to the Vendor (the principle amount of such loan being approximately HK\$44.3 million as of 31 March 2010)
“Net Asset Value”	prepare in accordance with the accounting policies adopted in Annual Report 2008/2009
“Properties”	means leasehold commercial properties owned by Wise Sky and located at 21/F, China United Centre, No.28 Marble Road, North Point, Hong Kong
“Sale Price”	means the balance of the sum of HK\$52 million after deducting the sum of the nominal value of the loan the date of the Agreement and prior to the date of completion
“Sale Share”	means one (1) Share, representing the entire issued share capital of Sunny Soar

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	means the wholly-owned subsidiaries of Wise Sky
“Sunny Soar”	Sunny Soar Investments Limited, a company incorporated in British Virgin Islands with authorised capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, of which one (1) share has been issued and are fully paid up.
“Willie International”	Willie International Holdings Limited (Stock Code: 273), a company incorporated in the Hong Kong with limited liability and whose shares are listed on the main board of the Stock Exchange
“Wise Sky”	Wise Sky Ltd, a company incorporated in British Virgin Islands with authorised capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, of which one (1) share has been issued and are fully paid up.

By order of the Board
Freeman Corporation Limited
Mr. Lo Kan Sun
Managing Director

Hong Kong, 17 May 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*)
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