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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 CONVERTIBLE NOTES REFRESHMENT OF GENERAL MANDATES TO ISSUE AND ALLOT SHARES AND REPURCHASE SHARES REFRESHMENT OF SCHEME MANDATE LIMIT OF SHARE OPTION SCHEME AND RESUMPTION OF TRADING

The Board wishes to announce that the Company has entered into the Placing Agreement with the Placing Agent on 20 November 2006.

Pursuant to the Placing Agreement, the Placing Agent agreed to procure subscribers for the Convertible Notes of up to a principal amount of HK\$300 million of which HK\$100 million principal amount of the Convertible Notes will be placed on a fully underwritten basis; and up to HK\$200 million principal amount of the Convertible Notes will be placed on a best effort basis. All the Placees and their respective ultimate beneficial owners will be independent of, not connected with the Company and its connected persons (as defined under the Listing Rules), and not connected persons of the Company.

Assuming only HK\$100 million Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price, a total of 400,000,000 Conversion Shares will be issued, representing approximately 23.1% of the existing issued share capital of the Company and approximately 18.8% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares. Assuming all the HK\$300 million Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price, a total of 1,200,000,000 new Conversion Shares will be issued, representing approximately 69.3% of the existing issued share capital of the Company and approximately 40.9% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares at the Initial Conversion Price.

The Board proposes to (i) refresh the general mandates for the Directors to allot and repurchase Shares not exceeding 20% and 10% respectively of the issued share capital of the Company as at the date of the EGM; and (ii) refresh the 10% scheme mandate limit of the Share Option Scheme.

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 independent Shareholders' approval by way of poll at the EGM.

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

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:30a.m. on 20 November 2006 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30a.m. on 23 November 2006.

The Board wishes to announce that the Company has entered into the Placing Agreement with the Placing Agent on 20 November 2006.

PLACING AGREEMENT

Date of the Placing Agreement

20 November 2006

Parties to the Placing Agreement

- (i) The Company as the issuer; and
- (ii) The Placing Agent

Placing Agent

The Placing Agent is an independent third party not connected with the Company and its connected persons (as defined under the Listing Rules), and is not a connected person of the Company. The Placing Agent will receive a placing commission of (i) 2.5% on the gross proceeds from the placing, on a fully underwritten basis, of Convertible Notes with a principal amount of HK\$100 million; and (ii) 2% on the gross proceeds from the placing, on a best effort basis, of Convertible Notes with a principal amount of up to HK\$200 million. The abovementioned commission will be payable by the Company upon completion of the Placing.

Placees

It is expected that the Placing Agent will procure no less than six Placees to subscribe by cash for the Convertible Notes with a principal amount of up to HK\$300 million.

All the Placees and their respective ultimate beneficial owners will be independent of, not connected with the Company and its connected persons (as defined under the Listing Rules), and not connected persons of the Company.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Placing Agent do not reasonably object) listing of and permission to deal in the Conversion Shares;
- (ii) the Stock Exchange having approved (either unconditionally or subject only to conditions to which the Company and the Placing Agent do not reasonably object) the issue of the Convertible Notes, or the Company not having received any objection from the Stock Exchange to the issue of the Convertible Notes;

- (iii) the passing by Shareholders in a general meeting of a resolution to approve the Placing Agreement and the issue of the Convertible Notes and the Conversion Shares thereunder in accordance with the Listing Rules;
- (iv) if required, an increase of authorized share capital of the Company to facilitate the issue of the Conversion Shares; and
- (v) the obtaining of all necessary approvals and consents required for the issue of the Convertible Notes and the Conversion Shares thereunder.

If any of the conditions has not been fulfilled by 8 January 2007 (or such later date as the Company and the Placing Agent may agree), the Placing Agreement shall lapse and become null and void and the parties will automatically be released from all obligations thereunder, save for any liability arising out of antecedent breaches.

Completion

Completion with respect to (i) the HK\$100 million principal amount of Convertible Notes to be placed on a fully underwritten basis shall take place on 12 January 2007 (or such other date as the parties may agree) (the "Underwritten Completion") and (ii) the HK\$200 million principal amount of Convertible Notes to be placed on a best effort basis shall take place on 31 March 2007 (or such other date the parties may agree).

Termination of the Placing Agreement

So far as it relates to the Underwritten Completion only, notwithstanding anything contained in the Placing Agreement, if, at any time prior to 9:00 a.m. on the date of the Underwritten Completion, in the reasonable 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 hereof 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 *eiusdem generis* with any of the foregoing, resulting in a material adverse change in, or which might 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 or the Company's securities on the Stock Exchange for a period of more than 40 consecutive business days, save for any suspension for clearance of this announcement or circular in relation to the Convertible Notes; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Company 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, provided that such notice is received prior to 9:00 p.m. on the date of the Underwritten Completion.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the above mentioned clause, all obligations of each of the parties under the Placing Agreement shall cease and determine and neither party to the Placing Agreement shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

TERMS OF THE CONVERTIBLE NOTES

The principal terms of the Convertible Notes are summarized as follows:

Principal terms

Principal amount:	HK\$300 million (of which principal amount of HK\$100 million will be placed by the Placing Agent on a fully underwritten basis and HK\$200 million will be placed by the Placing Agent on a best effort basis).
Initial Conversion Price:	HK\$0.25 per Share, subject to adjustments in certain events including, among other things, share consolidation, share subdivision, capitalization issue, capital distribution and rights issue.
Interest rate:	0% per annum.
Maturity:	The eighteenth month following the date of issue of the Convertible Notes.
Redemption:	Unless previously converted and cancelled or repaid in accordance with the terms and conditions of the Convertible Notes, the Company will redeem each Convertible Note on the Maturity Date at the redemption amount which is 115% of the principal amount of the Convertible Note outstanding.
Transferability:	The Convertible Notes are not transferable without the prior written consent of the Company, except by a transfer to subsidiaries or the holding company of the holder of the Convertible Notes. The Convertible Notes may not be transferred by the holder of the Convertible Notes, without the prior written consent of the Company, to any connected person (as defined under the Listing Rules) of the Company.
Conversion period:	The holders of the Convertible Notes shall have the right to convert on any business day at any time following the date of issue of the Convertible Notes until the date 7 days before (and excluding) the Maturing Date, the whole or any part (in an amount or integral multiple of HK\$1,000,000) of the outstanding principal amount of the Convertible Notes into Shares at the then prevailing conversion price.
Mandatory conversion:	If the closing price for each trading day during a consecutive 30 trading days period is equal to or in excess of 150% of the Initial Conversion Price (subject to adjustments) (i.e. HK\$0.375), all the then outstanding Convertible Notes will be deemed to be converted at the then prevailing conversion price.

- Voting:** The holders of the Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being the holders of the Convertible Notes.
- Listing:** No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.
- Ranking:** The Convertible Notes will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
- The Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes will rank pari passu in all respects with all other existing Shares outstanding at the date of conversion of the Convertible Notes.

Conversion Shares

Assuming only HK\$100 million Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price, a total of 400,000,000 Conversion Shares will be issued, representing approximately 23.1% of the existing issued share capital of the Company and approximately 18.8% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares. Assuming all the HK\$300 million Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price, a total of 1,200,000,000 Conversion Shares will be issued, representing approximately 69.3% of the existing issued share capital of the Company and approximately 40.9% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares at the Initial Conversion Price.

The Company will make appropriate announcements from time to time in the manner as set out in the paragraph headed "Dilution effect on Shareholders" below relating to, among other things, the conversion of the Convertible Notes.

Conversion price

The initial conversion price of HK\$0.25 per Share was arrived at after arm's length negotiation between the Placing Agent and the Company and represents:

- a premium of approximately 1.63% over the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on 17 November 2006, being the last trading day immediately before trading in the Shares was suspended pending the release of this announcement;
- a discount of approximately 5.30% to the average closing price of HK\$0.264 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 17 November 2006;
- a discount of approximately 13.79% to the net asset value per Share of approximately HK\$0.29 calculated based on the audited net asset value of the Group as at 31 March 2006 and the issued share capital of the Company as at the date of this announcement; and
- a discount of approximately 40.5% to the net asset value per Share of approximately HK\$0.42 calculated based on the audited net asset value of the Group as at 31 March 2006 after taken into consideration of certain Subsequent Events and the issued share capital of the Company as at the date of this announcement.

Based on the comparison of the Initial Conversion Price with the recent closing price per Share and the financial position of the Group as illustrated above, the Directors consider the terms of the Convertible Notes, including the Initial Conversion Price, are fair and reasonable and in the interests of the Shareholders as a whole.

SHAREHOLDING STRUCTURE

Set out below is a table showing (i) the Company's shareholding structure as at the date of this announcement; (ii) the Company's shareholding structure upon completion of the placing of HK\$100 million principal amount of the Convertible Notes only and full conversion of such Convertible Notes at the Initial Conversion Price; and (iii) the Company's shareholding structure upon completion of the placing of the total HK\$300 million principal amount of the Convertible Notes and full conversion of such Convertible Notes at the Initial Conversion Price, assuming that all the Convertible Notes in an aggregate principal amount of HK\$300 million are successfully placed by the Placing Agent. The table assumes there will be no change to the existing issued share capital of the Company after the date of this announcement save as mentioned above.

	As at the date of this announcement		Upon completion of the placing of Convertible Notes with principal amount of HK\$100 million and full conversion of the Convertible Notes at the Initial Conversion Price		Upon completion of the placing of all Convertible Notes with principal amount of HK\$300 million and full conversion of the Convertible Notes at the Initial Conversion Price	
Parkson Group Limited (<i>Note 1</i>)	200,000,000	11.6%	200,000,000	9.4%	200,000,000	6.8%
Radford Capital Investment Limited (stock code: 901) (<i>Note 2</i>)	146,956,000	8.5%	146,956,000	6.9%	146,956,000	5.0%
Heritage International Holdings Limited (stock code: 412) (<i>Note 2</i>)	130,524,000	7.5%	130,524,000	6.1%	130,524,000	4.5%
Directors and their associates (<i>Note 3</i>)	53,500,000	3.1%	53,500,000	2.5%	53,500,000	1.8%
Public	1,200,656,202	69.3%	1,200,656,202	56.3%	1,200,656,202	41.0%
Placees	–	0%	400,000,000	18.8%	1,200,000,000	40.9%
Total	1,731,636,202	100.0%	2,131,636,202	100.0%	2,931,636,202	100.0%

Note 1: Mr. Yang beneficially owns the entire issued share capital of Parkson Group Limited.

Note 2: Both of the shares of Radford Capital Investment Limited (stock code: 901) and Heritage International Holdings Limited (stock code: 412) are listed on the Main Board of the Stock Exchange.

Note 3: Mr. Yang and his wife have personal interests of 20,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming has a personal interest of 15,000,000 Shares and Ms. Au Shuk Yee, Sue has a personal interest of 16,500,000 Shares.

DILUTION EFFECT ON SHAREHOLDERS

As the Company foresees that there will be future dilution effect on the Shareholders resulting from the exercise of the conversion rights attaching to the Convertible Notes, the Company will keep the Shareholders informed of the level of dilution effect and all relevant details of any conversion of the Convertible Notes in the following manner:

- (a) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a tabular form:
 - (i) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (ii) the principal amount of outstanding Convertible Notes after the conversion, if any;
 - (iii) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - (iv) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be).

For the avoidance of doubt, the Monthly Announcement will be made on the website of the Stock Exchange only and no paid announcement will be made.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the trading of securities, provision of finance, property holding and investment holding. As announced by the Company on 20 October 2006, the Company has expanded its financial coverage to the insurance service business through its acquisition of the entire issued share capital of Cinergy Holdings Limited. It was further stated in the announcement that by leveraging on the extensive experience of Mr. Yang in the insurance business, the Company and Mr. Yang will use their respective reasonable endeavours to expand the existing business of Cinergy Holdings Limited and subject to the regulatory requirements and approvals to set up a life insurance company authorized to conduct long term business in Hong Kong. The Company considers that the Placing will provide the Company with a material portion of the necessary funds to develop the new life insurance businesses which require ample amount of capital.

Assuming all the Convertible Notes are successfully placed by the Placing Agent, the total gross proceeds from the Placing amount to HK\$300 million. After deducting related expenses of approximately HK\$7.5 million, approximately HK\$292.5 million will be available for the Group. It is intended that all of the net proceeds will be used for further strengthening and developing the financial services arm of the Group which includes the establishing of the new life insurance business of the Group.

NEW GENERAL MANDATES

At the annual general meeting of the Company held on 28 August 2006, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 266,411,240 Shares, which is equivalent to 20% of the then issued share capital of the Company and (ii) to repurchase up to 133,205,620 Shares on the Stock Exchange, representing 10% of the then issued share capital of the Company. As announced by the Company on 20 October 2006, the Company has entered into (1) an acquisition agreement pursuant to which 200,000,000 Shares were issued as consideration; and (2) a placing agreement pursuant to which 66,000,000 placing Shares were issued under the Existing General Mandate, representing approximately 75.1% and 24.8% of the Existing General Mandate respectively.

In order to provide a flexible means 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, and the Directors, Mr. Yang and his associates (including, his wife and Parkson Group Limited), Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue, are required to abstain from voting in favour thereon.

Based on the 1,731,636,202 Shares in issue as at the date of this announcement 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 346,327,240 Shares under the Issue Mandate; and to repurchase up to 173,163,620 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 proposed 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 133,205,620 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 28 August 2006 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 28 August 2006 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 133,000,000 Shares under the Share Option Scheme and the options to subscribe for 1,500,000 Shares have lapsed. As at the date of this announcement, options to subscribe for 1,500,000 Shares were 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 1,731,636,202 Shares in issue as at the date of this announcement and assuming that no further Shares are repurchased and issued 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 173,163,620 Shares, representing

10% of the total number of Shares in issue as at the date of the announcement. However, the 205,620 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.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of agreement	Transaction	Net proceeds raised/to be raised	Completed	Intended use of proceeds	Actual use of proceeds
1 December 2005	Placing of 44,000,000 new Then Existing Shares under the placing agreement dated 1 December 2005	HK\$28.8 million	Yes	HK\$14.4 million – investments HK\$14.4 million – general working capital	HK\$13.8 million – investment in financial assets HK\$15 million – general working capital
30 December 2005	Underwritten placing of 250,000,000 new Then Existing Shares pursuant to the placing agreement dated 30 December 2005	HK\$48.3 million	Yes	To be used for investments in a financial services group and other investments	HK\$0.5 million – deposit to acquire two investment properties HK\$47.8 million – general working capital
30 December 2005	Best effort placing of 750,000 new Then Existing Shares pursuant to the placing agreement dated 30 December 2005	HK\$146.4 million	Yes	To be used for investments in a financial services group and other investments	HK\$100 million – acquire HK\$131 million convertible note issued by Hennabun Management International Limited HK\$6.3 million – balance payment to acquire two investment properties HK\$7 million – investment in financial assets HK\$33.1 million – general working capital
18 October 2006	Placing of 66,000,000 new Shares under the placing agreement dated 18 October 2006	HK\$16.17 million	Yes	To be used for general working capital	HK\$16.17 million – general working capital

GENERAL

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 pursuant to Rule 13.36(4) of the Listing Rules.

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

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 20 November 2006 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 November 2006.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Conversion Shares”	new Shares which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Notes, at the then effective conversion price
“Convertible Notes”	a series of zero coupon convertible notes due in the year 2008 in an aggregate principal amount of up to HK\$300 million proposed to be issued by the Company pursuant to the Placing Agreement
“Director(s)”	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 Placing, 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 annual general meeting on 28 August 2006, among others, to allot, issue and deal with up to 266,411,240 Shares, representing 20% of the then issued share capital of the Company and to repurchase up to 133,205,620 Shares, representing 10% of the then issued share capital of the Company

“Group”	the Company and its subsidiaries
“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
“Independent Board Committee”	an independent committee of the Board established by the Board to advise the independent Shareholders in respect of the Issue Mandate
“Initial Conversion Price”	the initial conversion price of HK\$0.25 per Share (subject to adjustment)
“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
“Maturity Date”	the date on the eighteenth month following the date of issue of the Convertible Notes
“Mr. Yang”	Yang, Fan Shing Andrew, the Chairman and executive Director of the Company
“New General Mandates”	the Issue Mandate and Repurchase Mandate
“Placee(s)”	any individual, institutional or other professional investor(s) procured by the Placing Agent to subscribe for the Convertible Notes pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Convertible Notes by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Taifook Securities Company Limited, a licensed corporation to carry on regulated activities 1, 3 and 4 for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional convertible note placing agreement dated 20 November 2006 entered into between the Company and the Placing Agent in relation to the Placing, subject to the terms and conditions contained therein
“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
“Share(s)”	fully paid ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“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

“Subsequent Events”

certain material transactions completed by the Company subsequent to the financial year ended 31 March 2006, including (i) the placement of 600,000,000 new Then Existing Shares pursuant to the placing agreement dated 30 December 2005 at a price of HK\$0.20 per placing share; (ii) the acquisition of 53,800,000 shares of, representing 6.18% interests in, Hennabun Management International Limited at a consideration of HK\$11,000,000 by the issue of certain new shares pursuant to the acquisition agreement dated 8 June 2006; (iii) the disposal of 55% interest in Mega Victory Limited, a subsidiary of the Company, pursuant to the sale and purchase agreement dated 17 July 2006; (iv) the acquisition of the entire interest in Cinergy Holdings Limited pursuant to the sale and purchase agreement dated 18 October 2006 by the issue of 200,000,000 new Shares; (v) the placement of 66,000,000 Shares pursuant to the placing agreement dated 18 October 2006 at a price of HK\$0.25 per placing Share; and (vi) exercise of certain share options of the Company

“Then Existing Share(s)”

ordinary share(s) of HK\$0.20 each in the share capital of the Company before the capital reorganization (as described in the circular issued by the Company dated 18 April 2006)

By Order of the Board of
Freeman Corporation Limited
Kwok Wai Ming
Executive Director

Hong Kong, 22 November 2006

Executive Directors:

Mr. Yang Fan Shing, Andrew (*Chairman*)
Mr. Kwong Wai Tim, William (*Managing Director*)
Ms. Kwok Wai Ming
Ms. Au Shuk Yee, Sue

Independent non-executive Directors:

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