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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)

- (I) PLACING OF NEW SHARES UNDER GENERAL MANDATE;
(II) PLACING OF NEW SHARES SUBJECT TO
SHAREHOLDERS' APPROVAL;
(III) TERMINATION OF CONVERTIBLE NOTES PLACING AGREEMENT;
(IV) REFRESHMENT OF GENERAL MANDATES TO ISSUE AND ALLOT
SHARES AND REPURCHASE SHARES;
(V) REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME;
AND
(VI) RESUMPTION OF TRADING**

PLACING AGENT



KINGSTON SECURITIES LIMITED

THE PLACING

On 16 February 2007, the Company has conditionally agreed to place, through the Placing Agent (i) under Tranche I Placing on a fully underwritten basis 346,000,000 Placing Shares to independent investors at a price of HK\$0.10 per Placing Share and (ii) under Tranche II Placing on a best effort basis 654,000,000 Placing Shares to independent investors at a price of HK\$0.10 per Placing Share.

The Placing Shares under Tranche I Placing represent approximately 18.19% of the existing issued share capital of the Company of 1,901,636,202 Shares and approximately 15.39% of the Company's issued share capital of 2,247,636,202 Shares as enlarged by the Tranche I Placing.

The Placing Shares under Tranche II Placing represent approximately 34.39% of the existing issued share capital of the Company of 1,901,636,202 Shares and approximately 25.59% of the Company's issued share capital of 2,555,636,202 Shares as enlarged by the Tranche II Placing and approximately 22.54% of the Company's issued share capital of 2,901,636,202 Shares as enlarged by Tranche I and Tranche II Placing.

The Placing Price was fixed on the day of which the Company and the Placing Agent entered into the Placing Agreements, i.e. 16 February 2007. The Placing Price of HK\$0.10 represents a discount of approximately 18.70% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.123 on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) the average closing price of HK\$0.121 in the last 5 trading days prior to the date of the Placing Agreements. The Placing Price of HK\$0.10 also represents a discount of 21.69% to the average closing price of HK\$0.1277 in the last 10 trading days prior to the date of the Placing Agreements.

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 (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The Tranche I Placing is conditional upon, among other things, the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Tranche II Placing is conditional upon, among other things, (i) the passing of a resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares under Tranche II Placing at the EGM and (ii) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Tranche I Placing will be approximately HK\$34.6 million and the net proceeds will be approximately HK\$33.8 million. The gross proceeds from the Tranche II Placing will be approximately HK\$65.4 million and the net proceeds will be approximately HK\$64.3 million. The gross proceeds from the Tranche I Placing and the Tranche II Placing will be approximately HK\$100.0 million. The net proceeds of approximately HK\$98.1 million from the Tranche I Placing and the Tranche II Placing is intended 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.

The Placing is subject to termination on the occurrence of, amongst other things, any event of force majeure (which include events set out in details below) at or before 10:00 a.m. on the completion date of the Placing.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TERMINATION OF CONVERTIBLE NOTES PLACING AGREEMENT

The Board announces that the CN Placing Agreement dated 20 November 2006 in relation to the placing of convertible notes with principal amount of up to HK\$300 million was terminated on 16 February 2007. As such, the placing of the convertible notes with principal amount of up to HK\$200 million on a best effort basis shall not proceed.

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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 16 February 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 22 February 2007.

THE TRANCHE I PLACING AGREEMENT

Date

16 February 2007

Issuer

Freeman Corporation Limited

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 346,000,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.00% on the gross proceeds of the Tranche I Placing upon completion of the Tranche I Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 2.00% is fair and reasonable.

The Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons (as defined in Listing Rules).

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees, each of whom (i) will not be a connected person (as defined in Listing Rules) of the Company; and (ii) is independent of the other Placees of the Company and its connected persons. It is not expected that any individual Placee will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Tranche I Placing. The Company will comply with the Listing Rules in the event that any of the individual Placee becomes a substantial Shareholder (as defined in the Listing Rules) as a result of the Tranche I Placing.

Placing Shares

The Placing Shares under Tranche I Placing represent approximately 18.19% of the existing issued share capital of the Company of 1,901,636,202 Shares and approximately 15.39% of the Company's issued share capital of 2,247,636,202 Shares as enlarged by the Tranche I Placing.

Ranking of Placing Shares

The Placing Shares under the Tranche I 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 was fixed on the day of which the Company and the Placing Agent entered into the Tranche I Placing Agreement, i.e. 16 February 2007. The Placing Price of HK\$0.10 represents a discount of approximately 18.70% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.123 on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) the average closing price of HK\$0.121 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.10 also represents a discount of 21.69% to the average closing price of HK\$0.1277 in the last 10 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 (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the Existing General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 29 December 2006 subject to the limit up to 20% of the then issued share capital of the Company (i.e. 346,327,240 Shares). As at the date of this announcement, none of the new Shares has been issued under the Existing General Mandate.

Conditions of the Tranche I Placing

Completion of the Tranche I Placing is conditional upon:

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

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable 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**
- (ii) 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 reasonable 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**
- (iii) 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 reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

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

Completion of the Tranche I Placing

The conditions set out in the Tranche I Placing Agreement are expected to be fulfilled on or before 31 March 2007, or such later date as may be agreed by the Company and the Placing Agent and the completion of the Tranche I Placing will take place on or before the third business day after the Tranche I Placing Agreement becomes unconditional.

The Tranche I Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE TRANCHE II PLACING AGREEMENT

Date

16 February 2007

Issuer

Freeman Corporation Limited

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 654,000,000 Placing Shares on a best effort basis and will receive a placing commission of 1.50% on the gross proceeds of the Tranche II Placing upon completion of the Tranche II Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 1.50% is fair and reasonable.

The Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons (as defined in Listing Rules).

Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees, each of whom (i) will not be a connected person (as defined in Listing Rules) of the Company; and (ii) is independent of the other Placees of the Company and its connected persons. It is not expected that any individual Placee will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Tranche I Placing and the Tranche II Placing. The Company will comply with the Listing Rules in the event that any of the individual Placee becomes a substantial Shareholder (as defined in the Listing Rules) as a result of the Tranche II Placing.

Placing Shares

The Placing Shares under Tranche II Placing represent approximately 34.39% of the existing issued share capital of the Company of 1,901,636,202 Shares and approximately 25.59% of the Company's issued share capital of 2,555,636,202 Shares as enlarged by the Tranche II Placing and approximately 22.54% of the Company's issued share capital of 2,901,636,202 Shares as enlarged by Tranche I and Tranche II Placing.

Ranking of Placing Shares

The Placing Shares under the Tranche II 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 was fixed on the day of which the Company and the Placing Agent entered into the Tranche II Placing Agreement, i.e. 16 February 2007. The Placing Price of HK\$0.10 represents a discount of approximately 18.70% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.123 on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) the average closing price of HK\$0.121 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.10 also represents a discount of 21.69% to the average closing price of HK\$0.1277 in the last 10 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 (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Tranche II Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Tranche II Placing;

- (ii) the passing of a resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares under the Tranche II Placing at the EGM; and
- (iii) the obligations of the Placing Agent under the Tranche II Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Tranche II Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) **the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable 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**
- (ii) **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 reasonable 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**
- (iii) **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 reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.**

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

Completion of the Tranche II Placing

The conditions set out in the Placing Agreement are expected to be fulfilled on or before 30 April 2007, or such later date as may be agreed by the Company and the Placing Agent and the completion of the Tranche II Placing will take place on or before the third business day after the Tranche II Placing Agreement become unconditional.

The Tranche II Placing may or may not proceed and is subject to Shareholders' approval. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

OTHER INFORMATION ON THE PLACING

Reasons for the Placing

The Directors consider the timing of the fund raising by the Placing is appropriate as the recent stock market has shown strong sentiment and the Placing will be attractive to the potential investors. The Directors consider that notwithstanding that the Placing will result in the dilution of the existing shareholding interest of the Shareholders, the Placing represents an opportunity to raise capital for the Company to enhance the general working capital base and the existing business of the Group and to further strengthen and develop the financial services arm of the Group.

Use of proceeds

The gross proceeds from the Tranche I Placing will be approximately HK\$34.6 million and the net proceeds will be approximately HK\$33.8 million. The gross proceeds from the Tranche II Placing will be approximately HK\$65.4 million and the net proceeds will be approximately HK\$64.3 million. The gross proceeds from the Placing will be approximately HK\$100.0 million. The net proceeds of approximately HK\$98.1 million from the Placing is intended 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. The net proceeds raised per Share upon the completion of both the Tranche I Placing and the Tranche II Placing will be approximately HK\$0.0981 per Share.

Fund raising activities in the past 12 months

Date of announcement	Transaction	Net proceeds raised/to be raised (approximately)	Completed	Intended use of proceeds	Actual use of proceeds
20 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\$3.38 million – deposit to acquire a property HK\$12.79 million – general working capital
22 November 2006	Placing of convertible notes with a principal amount of up to HK\$300 million	HK\$292.5 million	Partial*	To be used for strengthening and developing financial services arm of the Group which includes the establishing of the new life insurance business of the Group	HK\$97.2 million – general working capital

* convertible notes with principal amount of HK\$100 million have been placed before the date of this announcement and the remaining convertible notes with principal amount of HK\$200 million will not be placed as the result of the termination of the CN Placing Agreement on 16 February 2007. Further details of the termination of the CN Placing Agreement are set out in the section "Termination of Convertible Notes Placing Agreement" in this announcement.

Effects on shareholding structure

	As at the date of this announcement		Upon completion of the Tranche I Placing		Upon completion of the Tranche I Placing and the Tranche II Placing	
Directors and their associates (Note 1)	37,000,000	1.94%	37,000,000	1.65%	37,000,000	1.28%
Parkson Group Limited (Note 2)	200,000,000	10.52%	200,000,000	8.90%	200,000,000	6.89%
Radford Capital Investment Limited (stock code: 901) (Note 3)	131,972,000	6.94%	131,972,000	5.87%	131,972,000	4.55%
Placees of Tranche I Placing (Note 4)	–	–	346,000,000	15.39%	346,000,000	11.92%
Placees of Tranche II Placing (Note 4)	–	–	–	–	654,000,000	22.54%
Other public Shareholders	1,532,664,202	80.60%	1,532,664,202	68.19%	1,532,664,202	52.82%
Total	<u>1,901,636,202</u>	<u>100%</u>	<u>2,247,636,202</u>	<u>100%</u>	<u>2,901,636,202</u>	<u>100%</u>

Notes:

- Mr. Yang Fan Shing, Andrew, being a Director, and his wife have personal interests of 20,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest of 15,000,000 Shares.
- Mr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
- The shares of Radford Capital Investment Limited (stock code: 901) are listed on the main board of the Stock Exchange.
- Such Placing Shares would be allotted and issued upon completion of the Placing.

TERMINATION OF CONVERTIBLE NOTES PLACING AGREEMENT

The Board announces that the CN Placing Agreement dated 20 November 2006 in relation to the placing of convertible notes with principal amount of up to HK\$300 million was terminated on 16 February 2007. As such, the placing of the convertible notes with principal amount of up to HK\$200 million on a best effort basis shall not proceed. The termination of the CN Placing Agreement was arrived at after arm's length negotiation between the Company and the placing agent and after the Company having taken into account, among other things, (i) the availability of various investment opportunities to the investors in the market; (ii) the market response in respect of the remaining convertible notes with principal amount of up to HK\$200 million; and (iii) the alternative means of fund raising from the Placing. Details of the CN Placing Agreement were set out in the announcement of the company dated 22 November 2006.

The Board considers that the termination of the CN Placing Agreement will not affect the current business and operation of the Company and will not have adverse effect on the working capital of the Group.

NEW GENERAL MANDATES

At the extraordinary general meeting of the Company held on 29 December 2006, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 346,327,240 Shares, which is equivalent to 20% of the then issued share capital of the Company and (ii) to repurchase up to 173,163,620 Shares on the Stock Exchange, representing 10% of the then issued share capital of the Company. The Placing Shares under the Tranche I Placing will be issued under 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. 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.

Based on the 2,247,636,202 Shares in issue as enlarged by the Tranche I Placing 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 449,527,240 Shares under the Issue Mandate; and to repurchase up to 224,763,620 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 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 173,163,620 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 29 December 2006 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 29 December 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 170,000,000 Shares under the Share Option Scheme. 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 the 2,247,636,202 Shares in issue as enlarged by the Tranche I Placing 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 224,763,620 Shares, representing 10% of the total number of Shares in issue as enlarged by the Tranche I Placing as at the date of EGM. However, the 3,163,620 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.

GENERAL

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.

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 Tranche II 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.

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 1,901,636,202 Shares are issued and fully paid up.

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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 16 February 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 22 February 2007.

Terms and definitions

“Board”	the 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
“CN Placing Agreement”	the 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 up to HK\$300 million (of which convertible notes of HK\$100 million to be placed on a fully underwritten basis and convertible notes of up to HK\$200 million to be placed on a best effort basis)
“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 Tranche II 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 extraordinary general meeting of the Company on 29 December 2006, among other things, to allot, issue and deal with up to 346,327,240 Shares, representing 20% of the then issued share capital of the Company and to repurchase up to 173,163,620 Shares, representing 10% of the then issued share capital of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	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
“Last Trading Day”	15 February 2007, being the last full trading day for the Shares before the date of this announcement
“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 Agent’s obligations under the Placing Agreements
“Placing(s)”	the Tranche I Placing and/or the Tranche II Placing
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement(s)”	The Tranche I Placing Agreement and/or the Tranche II Placing Agreement
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	an aggregate of up to 1,000,000,000 Shares to be placed pursuant to the terms of the Placing Agreements
“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)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme adopted and approved by the Company on 23 August 2002
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tranche I Placing”	placing of 346,000,000 new Shares pursuant to the terms of the Tranche I Placing Agreement
“Tranche I Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 16 February 2007 in relation to the Tranche I Placing
“Tranche II Placing”	placing of 654,000,000 new Shares pursuant to the terms of the Tranche II Placing Agreement
“Tranche II Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 16 February 2007 in relation to the Tranche II Placing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 21 February 2007

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