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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**

**Chung Nam Securities Limited**

**THE PLACING**

The Company has on 29 June 2007 entered into the Placing Agreement with the Placing Agent to procure subscribers, on a fully underwritten basis, to subscribe for 1,086,552,000 new Shares at a price of HK\$0.182 per Share. The Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 15.3% to the closing price of the Shares of HK\$0.215 quoted on the Stock Exchange on 29 June 2007, being the date of the Placing Agreement; (ii) a discount of approximately 19.5% to the average closing price of the Shares of HK\$0.226 quoted on the Stock Exchange for the five consecutive trading days up to and including 28 June 2007; and (iii) a discount of approximately 20.2% to the average closing price of the Shares of HK\$0.228 quoted on the Stock Exchange for the ten consecutive trading days up to and including 28 June 2007.

The gross proceeds from the Placing will be approximately HK\$198 million. The Company plans to use the entire net proceeds from the Placing of approximately HK\$193 million as the funding for the Group's financial services businesses including the insurance agency and life insurance businesses.

The Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares.

## **PLACING AGREEMENT DATED 29 JUNE 2007**

### **Issuer:**

The Company

### **Placing Agent and Placees:**

Chung Nam Securities Limited is the Placing Agent, who does not own any Shares as at the date of this announcement and is not a connected person (as defined in the Listing Rules) of the Company and is independent from and not connected with the Company and its connected persons (as defined in Listing Rules).

The Placing Shares will be placed to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and will be independent from and not connected with the Company and its connected persons (as defined in Listing Rules). It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

### **Number of Placing Shares:**

1,086,552,000 new Shares, representing approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing.

### **Placing Price:**

The Placing Price of HK\$0.182 per Share was agreed after arm's length negotiations between the Company and the Placing Agent. Such price represents (i) a discount of approximately 15.3% to the closing price of the Shares of HK\$0.215 quoted on the Stock Exchange on 29 June 2007, being the date of the Placing Agreement; (ii) a discount of approximately 19.5% to the average closing price of the Shares of HK\$0.226 quoted on the Stock Exchange for the five consecutive trading days up to and including 28 June 2007; and (iii) a discount of approximately 20.2% to the average closing price of the Shares of HK\$0.228 quoted on the Stock Exchange for the ten consecutive trading days up to and including 28 June 2007.

The net placing price for the Placing is approximately HK\$0.177 per Share.

The Directors consider that the Placing Price is fair and reasonable and in the interest of the Company and its shareholders as a whole.

### **Underwriting commission payable to the Placing Agent:**

The Placing is fully underwritten by the Placing Agent with underwriting commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

**Ranking of Placing Shares:**

The Placing Shares will rank pari passu in all respects among themselves and with the existing issued Shares.

**Condition of the Placing:**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all of the Placing Shares.

The condition must be fulfilled on or before 29 July 2007 (or such other date as agreed by the parties), failing which the Placing shall cease and terminate.

**Completion:**

The Placing shall complete at not later than the second Business Day after the fulfillment of the condition of the Placing (or such later date as may be agreed between the parties to the Placing Agreement in writing).

**Authority to issue the placing shares:**

The 1,086,552,000 Placing Shares are to be issued by the Company under the General Mandate.

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

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 Directors have taken into consideration of the current strong sentiment of the stock market as well as the substantial funding requirements for the insurance business and related financial service business of the Group and consider that the timing for the fund raising exercise be appropriate. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Placing will be approximately HK\$198 million. The Company intends to use the entire net Placing proceeds of approximately HK\$193 million as the funding for the Group's financial services businesses including the insurance agency and life insurance businesses.

## FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
20 October 2006	placing of 66,000,000 new Shares under the placing agreement dated 18 October 2006	HK\$16.17 million	To be used for general working capital	HK\$3.38 million as deposit to acquire a property and HK\$12.79 million as general working capital
22 November 2006	placing of convertible notes with a principal amount of up to HK\$300 million (Note)	HK\$52.2 million (Note)	To be used for strengthening and developing financial services arm of the Group which include the establishing of the new life insurance business of the Group	HK\$52.2 million as general working capital
21 February 2007	placing of 346,000,000 new Shares on a fully underwritten basis	HK\$33.8 million	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	HK\$33.8 million as general working capital
21 February 2007	placing of 654,000,000 new Shares on a best effort basis	HK\$64.3 million	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	HK\$10 million has been injected into the wholly-owned subsidiary which was established for conducting long term life insurance business in Hong Kong and the remaining balance of HK\$54.3 million kept as general working capital

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
23 March 2007	rights issue of not less than 1,236,986,824 rights shares and not more than 1,564,736,824 rights shares on the basis of one rights share for every two existing Shares	HK\$182.0 million	To be used for the possible acquisition of companies engaging in the insurance business and the development of insurance and financial services business, and to strengthen the Company's existing investments in financial service industry which include the trading of securities, provision of finance, insurance business and investment holding	HK\$182.0 million as general working capital
21 May 2007	placing of 494,000,000 new Shares under the placing agreement dated 21 May 2007	HK\$62.18 million	To be used as part of the HK\$300 million funding expected to be capitalized for the Group's financial services businesses including the insurance agency, life insurance, corporate finance advisory, proprietary trading, underwriting and financial related business	HK\$62.18 million as general working capital

*Note:*

Pursuant to a 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 HK\$300 million, convertible notes of HK\$100 million have been placed on a fully underwritten basis. Convertible notes of up to HK\$200 million to be placed on a best effort basis was not proceed as a result of the termination of this placing agreement on 16 February 2007 as announced by the Company on 21 February 2007. The convertible notes amounting to HK\$100 million have been (i) redeemed by the Company amounting to HK\$45 million; and (ii) converted into the Shares by conversion of HK\$55 million by certain holders of the convertible notes.

## SHAREHOLDING STRUCTURE

Shareholder	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	%	Number of Shares	%
Directors and their associates ( <i>Note 1</i> )	54,500,000	1.00	54,500,000	0.84
Parkson Group Limited ( <i>Note 2</i> )	396,000,000	7.29	396,000,000	6.07
Willie International Holdings Limited ( <i>Note 3</i> )	484,618,000	8.92	484,618,000	7.43
Unity Investments Holdings Limited ( <i>Note 4</i> )	396,532,000	7.30	396,532,000	6.08
Evolution Master Fund Ltd SPC, Segregated Portfolio M	275,000,000	5.06	275,000,000	4.22
Lehman Brothers Holdings Inc. ( <i>Note 5</i> )	300,000,000	5.52	300,000,000	4.60
Public Shareholders:				
– The Placees	–	–	1,086,552,000	16.67
– Others	<u>3,526,110,473</u>	<u>64.91</u>	<u>3,526,110,473</u>	<u>54.09</u>
<b>Total</b>	<b><u>5,432,760,473</u></b>	<b><u>100.00</u></b>	<b><u>6,519,312,473</u></b>	<b><u>100.00</u></b>

### Notes:

1. Mr. Yang Fan Shing, Andrew, being a Director, and his wife have personal interests in 30,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 22,500,000 Shares.
2. Mr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
3. The shares of Willie International Holdings Limited (stock code: 273) are listed on the main board of the Stock Exchange.
4. The shares of Unity Investments Holdings Limited (stock code: 913) are listed on the main board of the Stock Exchange.

5. Lehman Brothers Holdings Inc. indirectly wholly owns Lehman Brothers Commercial Corporation Asia Limited which currently holds 300,000,000 Shares.

## GENERAL

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.

## DEFINITIONS

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

“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which banks in Hong Kong generally are open for business
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 279)
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company on 22 June 2007, among other things, to allot, issue and deal with up to 1,086,552,094 Shares, representing 20% of the then issued share capital of the Company and to repurchase up to 543,276,047 Shares, representing 10% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“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
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Chung Nam Securities Limited, a corporation licensed to carry out business type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong);
“Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 29 June 2007 in relation to the Placing
“Placing Price”	HK\$0.182 per Placing Share
“Placing Shares”	1,086,552,000 new Shares to be placed under the Placing
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 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
“%”	per cent

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

Hong Kong, 29 June 2007

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