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## **FREEMAN CORPORATION LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 279)

### **PLACING OF REDEEMABLE CONVERTIBLE NOTES AND REFRESHMENT OF GENERAL MANDATES AND RESUMPTION OF TRADING**

On 11 July, 2007, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agreed amongst other things to procure, (i) on a best efforts basis, places to subscribe in cash for Convertible Notes up to the principal amount of HK\$1,250,000,000 and (ii) on an underwritten in the aggregate basis, places to subscribe in cash for Convertible Notes principal amount of HK\$250,000,000. The Company has agreed that the Placing Agent may, (i) at any time during the Best Efforts Placing Period, require the Best Efforts to be issued in up to five separate tranches with the principal amount of the Convertible Notes comprised in each tranche to be not less than HK\$100,000,000 and the maximum aggregate principal amount of the Convertible Notes for all tranches not to exceed HK\$1,250,000,000 and (ii) at any time during the Underwritten Placing Period procure subscribers to subscribe for the Underwritten Notes. Assuming all the Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the HK\$1,500,000,000 principal amount of the Convertible Notes at the Initial Conversion Price, a total of 10,000,000,000 Conversion Shares will be issued, representing approximately 153.4% of the existing issued share capital of the Company of 6,519,312,473 Shares and approximately 60.5% of the Company's issued share capital as enlarged by the issue of the Conversion Shares at the Initial Conversion Price.

The Directors also propose to refresh the General Mandates to issue and repurchase shares at the EGM as set out below.

A circular with details of the Convertible Notes Placing, the refreshment of the General Mandates, letter of recommendation from the independent board committee on the refreshment of the Issue Mandate, letter of recommendation from the independent financial adviser to the independent board committee and independent Shareholders on the refreshment of the Issue Mandate and the notice of the EGM to consider and if thought fit to approve the Placing Agreement, the Convertible Notes Placing and the refreshment of the General Mandates will be sent to shareholders of the Company as soon as practicable.

**Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 11 July, 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its shares with effect from 9:30 a.m. on 12 July, 2007.**

## **THE CONVERTIBLE NOTES PLACING**

The Placing Agreement contains the terms set out below:–

**Issuer:** The Company

**Placing Agent:** Chung Nam Securities Limited. To the best of the director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company.

The Company understands that the Placing Agent will enter into sub-underwriting arrangements with sub-underwriters, if required, with respect to the Underwritten Notes so that it is expected that the Placing Agent and the sub-underwriters (if any) will not be a substantial shareholder of the Company upon completion of the placing of the Underwritten Notes.

**The Placing Agreement:** On 11 July, 2007, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent will procure placees to subscribe in cash for the Best Efforts Notes up to an aggregate principal amount of HK\$1,250,000,000 (on a best efforts basis) during the Best Efforts Placing Period and for the Underwritten Notes in the aggregate principal amount of HK\$250,000,000 (on an underwritten basis) during the Underwritten Placing Period.

The Company has agreed that the Placing Agent may, at any time during the Best Efforts Placing Period, require the Company to issue the Best Efforts Notes in up to five separate tranches with the principal amount of the Best Efforts Notes comprised in each tranche to be not less than HK\$100,000,000 and the maximum aggregate principal amount of the Best Efforts Notes for all tranches not to exceed HK\$1,250,000,000. Further announcement will be made at the time of issue of each tranche of the Best Efforts Notes.

**Initial Condition Precedent:** Subject to the fulfillment of the respective conditions precedent in respect of the placing of the Underwritten Notes and the placing of the Best Efforts Notes, the issue of the Convertible Notes is conditional upon the passing of a resolution(s) at the EGM by Shareholders to approve the Placing Agreement, the issue of the Convertible Notes and the issue of the Conversion Shares upon the exercise of conversion rights under the Convertible Notes.

If the Initial Condition Precedent is not fulfilled on or before 4th September, 2007 (or such later date as may be agreed between the Placing Agent and the Company), the Placing Agreement shall thereupon lapse and become null and void and the parties will automatically be released from all obligations hereunder, save for any liability arising out of any antecedent breaches hereof.

**Further condition for the issue of the Underwritten Notes:**

In addition to the fulfillment of the Initial Condition Precedent, completion of the issue of the Underwritten Notes shall be conditional upon the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of conversion rights under the Underwritten Notes.

If the additional condition for the Underwritten Notes set out above is not fulfilled on or before the earlier of (a) 14 days from the date of notification of the Placing Agent that it has procured subscribers for the Underwritten Notes or (b) 14 days after the expiry of the Underwritten Period, or on such later date as may be agreed between the Placing Agent and the Company, then the obligations of parties in respect of the issue of the Underwritten Notes shall lapse.

Completion of the issue of the Underwritten Notes is to take place on the date of the Underwritten Completion.

**Further condition for the issue of each tranche of Best Efforts Notes:**

In addition to the fulfillment of the Initial Condition Precedent, completion of each tranche of the Best Efforts Notes shall be conditional upon the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of conversion rights under such tranche of the Best Efforts Notes.

If the condition for a tranche of the Best Efforts Notes set out above are not fulfilled within 14 days from the date of notification of the Placing Agent that the Placing Agent has procured subscribers for such tranche of Best Efforts Notes or such other date as the parties may agree in writing, then the obligations of the parties in respect of the issue of such tranche of the Best Efforts Notes will lapse. Each notification of the Placing Agent, once given, is irrevocable, unless agreed to by both parties in writing.

**Placing Agent:**

The Placing Agent will receive a placement commission of 2.5 % on the gross proceeds of the Underwritten Notes and 2.5 % of the gross proceeds each tranche of the Best Efforts Notes placed under the Convertible Notes Placing.

**Placees:**

The Placing Agent will use its reasonable endeavours to ensure that the placees are third parties independent of the Company and not Connected Persons of the Company.

It is presently expected that there will be a minimum of six placees for the placing of the Underwritten Notes and each tranche of the Best Efforts Notes in an aggregate principal amount of not less than HK\$100,000,000. The Company expects that there will not be any substantial shareholder (holding more than 10% of the issued share capital of the Company) as a result of completion of the Convertible Notes Placing.

Completion for each tranche of Best Efforts Notes is to take place on the third Business Day after the date of fulfillment of condition of such tranche of Best Efforts Notes (or such other date as the parties may agree in writing). An announcement will be made at the time of issue of each tranche of the Best Efforts Notes.

**Principal terms of the Convertible Notes**

The following describes certain of the principal terms of the Convertible Notes:–

**Aggregate principal amount of the Convertible Notes:**

Up to HK\$1,500,000,000

**Maturity Date:**

31st March, 2011 (the “Maturity Date”). On the Maturity Date, all of the remaining outstanding Convertible Notes will be redeemed by the Company at 100% of the outstanding principal amount of the Convertible Notes.

<b>Authorised denomination for issue, transfer, conversion and redemption:</b>	HK\$5,000,000
<b>Conversion:</b>	The holder of the Convertible Notes can convert the outstanding principal amount of each Convertible Note in whole or in part into Shares at any time from the relevant date of issue until a date falling seven days prior to (and excluding) the relevant Maturity Date.
<b>Conversion Price:</b>	The initial conversion price of HK\$0.15 per Conversion Share was arrived at after arm's length negotiation between the Company and the Placing Agent and represents (i) a discount of approximately 26.1% to the closing price of HK\$0.203 per Share quoted on the Stock Exchange on 10 July, 2007, the trading day before the date of suspension of dealings in shares of the Company; (ii) a discount of approximately 31.2% to the average closing price per Share of approximately HK\$0.218 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares ended on 9 July, 2007 and iii). a discount of approximately 29.0% to the average Closing Price per Share of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ended on 9 July, 2007
<b>Initial Conversion Price:</b>	HK\$0.15 per Conversion Share, subject to adjustments in certain events, including share consolidations, share subdivisions, capitalisation issues, capital distributions, rights issues and issues of other securities.
<b>Interest rate:</b>	The Convertible Notes will be non interest bearing.
<b>Transferability:</b>	The Convertible Notes will be transferable only with the prior written consent of the Company and in particular, the Convertible Notes may not be transferred to a Connected Person of the Company without the prior written consent of the Company.
<b>Voting:</b>	A holder of 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 a holder of Convertible Notes.
<b>Listing:</b>	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. Applications will be made by the Company for the listing of, and permission to deal in, the Conversion Shares (if any) to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.

**Ranking:**

The Conversion Shares to be issued as a result of the exercise of the conversion rights to the Convertible Notes will rank pari passu in all respects with all other Shares outstanding on the date the name of the noteholder is entered on the register of the members of the Company as a holder of the Conversion Shares.

Assuming all the Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the HK\$1,500,000,000 principal amount of the Convertible Notes at the Initial Conversion Price, a total of 10,000,000,000 Conversion Shares will be issued, representing approximately 153.4% of the existing issued share capital of the Company of 6,519,312,473 Shares and approximately 60.5% of the Company's issued share capital as enlarged by the issue of the Conversion Shares at the Initial Conversion Price.

**TERMINATION**

So far as it relates to the Underwritten Notes only, 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 on the Company's securities on the Stock Exchange occurring due to exceptional financial circumstances; 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 its obligations to underwrite the Underwritten Notes 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.

## SHAREHOLDING STRUCTURE

Name of Shareholders	As at the date of this announcement		Assuming full conversion of the Underwritten Notes (up to the principal amount of HK\$250 million) and no further shares are issued from the date of this announcement till the date of conversion		Assuming full conversion of the Convertible Notes (up to the principal amount of HK\$1,500 million) and no further shares are issued from the date of this announcement till the date of conversion	
	Shares	% of shareholding	Shares	% of shareholding	Shares	% of shareholding
Directors and their associates (Note 1)	54,500,000	0.84	54,500,000	0.67	54,500,000	0.33
Parkson Group Limited (Note 2)	396,000,000	6.08	396,000,000	4.84	396,000,000	2.40
Willie International Holdings Limited (Note 3)	484,618,000	7.43	484,618,000	5.92	484,618,000	2.93
Unity Investments Holdings Limited (Note 4)	396,532,000	6.08	396,532,000	4.84	396,532,000	2.40
Lehman Brothers Holdings Inc. (Note 5)	326,828,000	5.01	326,828,000	3.99	326,828,000	1.98

## PUBLIC SHAREHOLDERS

Holders of Convertible Notes	0	0	1,666,666,667	20.36	10,000,000,000	60.54
Others	4,860,834,473	74.56	4,860,834,473	59.38	4,860,834,473	29.42
<b>Total</b>	<b>6,519,312,473</b>	<b>100</b>	<b>8,185,979,140</b>	<b>100</b>	<b>16,519,312,473</b>	<b>100</b>

- 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.
- 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 326,828,000 Shares.

### **Dilution effect on Shareholders**

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Notes, for so long as any of the Convertible Notes are outstanding, the Company will keep shareholders informed of the level of dilution and details of conversion as follows:–

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange and the Company. 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 table form:
  - (a) 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;
  - (b) the outstanding principal amount of the Convertible Notes after the conversion, if any;
  - (c) 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;
  - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (ii) 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 and the Company including details as stated in (i) 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 amounts 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).



## REASONS FOR THE CONVERTIBLE NOTES PLACING

The Convertible Notes Placing provide a good opportunity to raise funds and to enlarge the capital base of the Company. The aggregate net proceeds from the Convertible Notes Placing is approximately HK\$1,460 million. The Convertible Notes Placing will equip the Company with readily available funds which is intended to be used wholly for the expansion of its current business including the insurance business and related financial services business.

The Directors are of the view that the Convertible Notes Placing is in the interest of the Company and its Shareholders as a whole because:–

- (a) the placing of Convertible Notes provides a less costly way of financing for the Company. The Company has considered other methods of financing such as bank borrowings and noted that the costs of such borrowings are higher than the placing of Convertible Notes which is non interest bearing; and
- (b) the placing of Convertible Notes as opposed to placing of new Shares also does not create an immediate dilution effect on the existing shareholders unless and until the conversion rights under the Convertible Notes are exercised. The holder of Convertible Notes are also not entitled to any voting rights before conversion.

## FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Date of agreement	Transaction	Net proceeds raised/to be raised	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	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 placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing

<b>Date of agreement</b>	<b>Transaction</b>	<b>Net proceeds raised/to be raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
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 placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing
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
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 placed into the general working capital pool of the Company and such amount is intended for the purposes of expansion of its business as described in the intended use of proceeds for this rights issue

<b>Date of agreement</b>	<b>Transaction</b>	<b>Net proceeds raised/to be raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
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 placed into the general working capital pool of the Company and such amount is intended for the Group's businesses as described in the intended use of proceeds for this placing
29 June 2007	placing of 1,086,552,000 new shares under placing agreement dated 29 June 2007	HK\$193.0 million	To be used as the funding for the Group's financial services businesses including the insurance agency and life insurance business.	HK\$193.0 million placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing

*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.

Save as disclosed above, there were no equity fund-raising activities conducted by the Company in the past 12 months.

## **REFRESHMENT OF THE GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the extraordinary general meeting of the Company held on 22 June, 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the General Mandates to allot up to 1,086,552,094 Shares and to repurchase up to 543,276,047 Shares on the Stock Exchange. Only 94 new Shares remain unissued under the General Mandates.

In order to provide a flexible means for the Company to raise further funds for investment or working capital and/or to procure potential acquisition opportunities through the issue of new Shares for its future business development, the Directors are also seeking the passing of ordinary resolutions at the EGM to refresh the General Mandates:–

- (1) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the EGM; and
- (2) to repurchase new Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of issued share capital of the Company at the date of the EGM.

The Directors will also propose a separate ordinary resolution at the EGM to add to the Issue Mandate those Shares purchased by the Company pursuant to the Repurchase Mandate.

The refreshment of the General Mandates 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 refreshment of the Issue Mandate will be subject to the Independent Shareholders' approval by way of a poll at the EGM. The Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Mr. Yang Fan Shing, Andrew and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates shall abstain from voting in favour of the Issue Mandate.

## **INFORMATION ON THE GROUP**

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.

## **GENERAL**

The Directors of the Company consider the terms of the Placing Agreement and the Convertible Notes Placing and the refreshment of the General Mandates to be fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole.

A circular with details of the Convertible Notes Placing, the refreshment of the General Mandates, letter of recommendation from the independent board committee on the refreshment of the Issue Mandate, letter of recommendation from the independent financial adviser to the independent board committee and independent Shareholders on the refreshment of the Issue Mandate, the notice of the EGM to be convened to approve the Placing Agreement, the Convertible Notes Placing and the refreshment of the General Mandates will be sent to shareholders of the Company as soon as practicable.

**Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 11 July, 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in its Shares with effect from 9:30 a.m. on 12 July, 2007.**

## **DEFINITIONS**

The following terms are used in this announcement with the meanings set opposite them:–

“associates”	has the meaning ascribed thereto under the Listing Rules
“Best Efforts Notes”	convertible notes in the aggregate principal amount of HK\$1,250,000,000 to be placed on a best effort basis by the Placing Agent forming part of the series of Convertible Notes
“Best Efforts Condition Precedent”	the condition precedent referred to in the section headed “further conditions for the issue of each tranche of Best Efforts Notes” in this Announcement
“Best Efforts Placing Period”	a period of 90 Days from the date of satisfaction of the Initial Condition Precedent
“Business Days”	a day on which banks are open for business in Hong Kong (excluding Saturday)
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Connected Person(s)”	the meaning ascribed thereto in the Listing Rules
“Convertible Notes”	a series of convertible notes (comprising the Underwritten Notes and the Best Efforts Notes) of up to an aggregate principal amount of HK\$1,500,000,000 proposed to be issued by the Company
“Convertible Notes Placing”	the placing of the Convertible Notes (the Best Efforts Notes and the Underwritten Notes) up to an aggregate principal amount of HK\$1,500,000,000 by the Placing Agent pursuant to the Placing Agreement

“Conversion Shares”	the Shares to be issued by the Company as a result of the exercise of the conversion rights attaching to the Convertible Notes
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, inter alia, the Placing Agreement, the Convertible Notes Placing and the refreshment of the General Mandates
“General Mandates”	the general mandates to issue and repurchase shares granted to Directors at the extraordinary general meeting of the Company held on 22 June, 2007
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Mr. Yang Fan Shing, Andrew and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates
“Initial Condition Precedent”	the condition precedent referred to in paragraph (i) of the section headed “Initial Condition Precedent”
“Initial Conversion Price”	the initial conversion price of HK\$0.15 per Conversion Share (subject to adjustments)
“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 and to extend the Issue Mandate to include the Shares repurchased under the Repurchase Mandate
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agreement”	the placing agreement dated 11 July, 2007 between the Company and the Placing Agent to place the Convertible Notes of up to the aggregate principal amount of HK\$1,500,000,000

“Placing Agent”	Chung Nam Securities Limited, a company licensed under the Securities and Futures Ordinance to carry out Type 1 and Type 4 regulated activities
“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 shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	the holders of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwritten Completion”	a date falling three business day after the date of notification by the Placing Agent to the Company that it wishes to proceed to completion of the placing of the Underwritten Notes (or such other earlier date as the parties may agree) provided that the latest date for completion shall be the 14 business day after the expiry of the Underwritten Placing Period
“Underwritten Notes”	convertible notes in the aggregate principal amount of HK\$250,000,000 to be placed on an underwritten basis by the Placing Agent forming part of the series of Convertible Notes
“Underwritten Condition Precedent”	the condition precedent referred to in the section headed “further conditions for the issue of the Underwritten Notes” in this Announcement
“Underwritten Placing Period”	a period of 90 days from the date of satisfaction of the Initial Condition Precedent.

By order of the board of directors of  
**FREEMAN CORPORATION LIMITED**  
**Kwong Wai Tim, William**  
*Managing Director*

Hong Kong, 11 July, 2007

*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 Whitlam