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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 REDEEMABLE CONVERTIBLE NOTES AND RESUMPTION OF TRADING

Further to the announcement of the Company dated 11 July, 2007, the Company and the Placing Agent entered into a supplemental agreement to extend the long stop date for the fulfillment of the Initial Condition Precedent and to reduce the Initial Conversion Price per Conversion Share.

The Revised Conversion Price of HK\$0.120 per Share represents (i) a discount of approximately 7.7% to the closing price of HK\$0.130 per Share quoted on the Stock Exchange on 20 August, 2007, the trading day before the date of suspension of dealings in the Shares pending the issue of this announcement; (ii) a discount of approximately 17.2% to the average closing price per Share of approximately HK\$0.145 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares ended on 17 August, 2007; (iii) a discount of approximately 14.9% to the average closing price per Share of approximately HK\$0.141 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ended on 17 August, 2007 and (iv) a discount of approximately 40.9% to the closing price of HK\$0.203 per Share quoted on the Stock Exchange on 10 July, 2007, being the trading day before the date of suspension of trading in the Shares of the Company pending the release of the Announcement.

It was stated in the notice of the extraordinary general meeting (“EGM”) included in the Circular that resolutions to approve the Placing Agreement, Issue Mandate, Repurchase Mandate and Extension Mandate would be put forward to Shareholders for approval at the EGM to be held on 27 August 2007. In view of the Supplemental Agreement, the resolution in that notice of EGM to approve the Placing Agreement will no longer be proposed for Shareholders’ approval at the EGM whilst the remaining resolutions will be put forward to shareholders for approval. A circular containing details of the Placing Agreement together with the Supplemental Agreement and the notice of the EGM for the purpose of seeking Shareholders’ approval for the Placing Agreement as amended by the Supplemental Agreement will be despatched to Shareholders as soon as practicable.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 21 August, 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 22 August, 2007.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 July, 2007 (the “Announcement”) and circular dated 9 August 2007 (“Circular”), terms used in this announcement shall have the same meanings as defined in the Announcement unless the context requires otherwise.

On 20 August 2007, the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement (the “Supplemental Agreement”) to (i) amend the long stop date for the fulfillment of the Initial Condition Precedent from 4 September 2007 to 24 September 2007 and (ii) reduce the Initial Conversion Price from HK\$0.150 to HK\$0.120 (the “Revised Conversion Price”).

EXTENSION OF LONG STOP DATE

If the Initial Condition Precedent is not fulfilled on or before 24 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. The original long stop date for the fulfillment of the Initial Condition Precedent was 4 September 2007.

REVISED CONVERSION PRICE

The Revised Conversion Price of HK\$0.120 per Share represents (i) a discount of approximately 7.7% to the closing price of HK\$0.130 per Share quoted on the Stock Exchange on 20 August, 2007, the trading day before the date of suspension of dealings in the Shares pending the issue of this announcement; (ii) a discount of approximately 17.2% to the average closing price per Share of approximately HK\$0.145 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares ended on 17 August, 2007; (iii) a discount of approximately 14.9% to the average closing price per Share of approximately HK\$0.141 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ended on 17 August, 2007 and (iv) a discount of approximately 40.9% to the closing price of HK\$0.203 per Share quoted on the Stock Exchange on 10 July, 2007, being the trading day before the date of suspension of trading in the Shares of the Company pending the release of the Announcement.

Save for the extension of long stop date and Revised Conversion Price, all of the other provisions of the Placing Agreement and principal terms of the Convertible Notes shall remain the same and in full force and effect.

DILUTION EFFECT ON SHAREHOLDERS

The Company agreed to the Revised Conversion Price in view of the volatility in the Hong Kong stock market in the past week and the current uncertainty in investment conditions in general. Given the Placing Agent has notified the Company of its intention to terminate the Placing Agreement and having assessed the recent volatile market conditions and deterioration in the fund raising ability of the Company, the directors of the Company (including the independent non-executive directors) are of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company.

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 (to be placed as to HK\$1,250,000,000 on a best efforts basis and HK\$250,000,000 on a fully underwritten basis) at the Revised Conversion Price, a total of 12,500,000,000 Conversion Shares will be issued, representing approximately 191.7% of the existing issued share capital of the Company of 6,519,312,473 Shares and approximately 65.7% of the Company's issued share capital as enlarged by the issue of the Conversion Shares at the Revised Conversion Price.

The Company expects that the Convertible Notes will not be placed to any person such that as a result of the conversion of the Convertible Notes placed to him or her, such person will become a substantial shareholder (holding more than 10% of the issued share capital of the Company).

SHAREHOLDING STRUCTURE

The information below is extracted from the register of interests maintained by the Company pursuant to the SFO, as at the date of this announcement:

| 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 | 0.63 | 54,500,000 | 0.29 |
| Parkson Group Limited (Note 2) | 396,000,000 | 6.07 | 396,000,000 | 4.60 | 396,000,000 | 2.08 |
| Willie International Holdings Limited (Note 3) | 520,618,000 | 7.99 | 520,618,000 | 6.05 | 520,618,000 | 2.74 |
| Unity Investments Holdings Limited (Note 4) | 386,532,000 | 5.93 | 386,532,000 | 4.49 | 386,532,000 | 2.03 |
| PUBLIC SHAREHOLDERS | | | | | | |
| Holders of Convertible Notes | – | – | 2,083,333,333 | 24.23 | 12,500,000,000 | 65.72 |
| Others | 5,161,662,473 | 79.17 | 5,161,662,473 | 60.00 | 5,161,662,473 | 27.14 |
| Total | <u>6,519,312,473</u> | <u>100</u> | <u>8,602,645,806</u> | <u>100</u> | <u>19,019,312,473</u> | <u>100</u> |

1. Dr. Yang Fan Shing, Andrew, being a Director, and his wife Ms. Liu Lai Shim, Regina 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. Dr. 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.

GENERAL

It was stated in the notice of the EGM included in the Circular that resolutions to approve the Placing Agreement, Issue Mandate, Repurchase Mandate and Extension Mandate would be put forward to Shareholders for approval at the EGM to be held on 27 August 2007. In view of the Supplemental Agreement, the resolution in that notice of EGM to approve the Placing Agreement will no longer be proposed for Shareholders' approval at the EGM whilst the remaining resolutions will be put forward to shareholders for approval. A circular containing details of the Placing Agreement together with the Supplemental Agreement and the notice of the EGM for the purpose of seeking Shareholders' approval for the Placing Agreement as amended by the Supplemental Agreement will be despatched to Shareholders as soon as practicable.

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

Hong Kong, 21 August, 2007

Executive Directors

Dr. 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