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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)**

### **(1) ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND (2) ISSUE OF CONVERTIBLE BONDS**

#### **SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that on 9 August 2010 (after trading hours), the Company entered into the Subscription Agreement with the Investor, pursuant to which the Company has conditionally agreed to allot and issue, and the Investor has conditionally agreed to subscribe for 99,125,239 Investor Shares, at the Issue Price of HK\$0.275 per Share.

Pursuant to the Subscription Agreement, 99,125,239 Investor Shares will be issued and allotted, representing approximately 20% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the 99,125,239 Investor Shares under the Subscription Agreement.

The Issue Price of HK\$0.275 per Share represents: (i) a discount of approximately 12.70% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 9 August 2010, being the date of the Subscription Agreement; (ii) a discount of approximately 14.06% to the average closing price of approximately HK\$0.320 per Share in the last five consecutive trading days up to and including the date of the Subscription Agreement; and (iii) a discount of approximately 15.90% to the average closing price of approximately HK\$0.327 in the last ten consecutive trading days up to and including the date of the Subscription Agreement.

## **BOND SUBSCRIPTION AGREEMENT**

On 9 August 2010 (after trading hours), the Company entered into the Bond Subscription Agreement with the Investor, pursuant to which the Investor has agreed to subscribe for or procure the subscription of the Firm Bonds in the principal amount of HK\$275,000,000 and the Company has agreed to issue to the Investor and/or his nominee(s) the Firm Bonds subject to and on the terms of the Bond Subscription Agreement.

The Firm Bonds shall be issued to the Investor and/or his nominee(s), at par for cash, within three months after the date of EGM in separate tranches (each a “Tranche”) in such amounts as may be notified by the Investor in writing provided that the principal amount of the Firm Bonds in each Tranche shall not be less than HK\$25,000,000 save for the last Tranche and shall be in multiples of HK\$5,000,000. If the Firm Bonds are not fully subscribed before the expiry of the three-month period after the date of EGM, the Investor shall subscribe for or procure the subscription of all the remaining principal amount of Firm Bonds (to the extent not already subscribed in previous Tranches) by the end of such three-month period.

On an exercise of the conversion rights attaching to the Firm Bonds prior to the first anniversary of the EGM Date, a converting Bondholder shall have an option to subscribe for an aggregate principal amount of the Optional Bonds equal to (but not exceeding) the principal amount of Firm Bonds which have been converted by that converting Bondholder on the relevant exercise of conversion rights during the period between the date of issue of the Firm Bonds and the fifteenth (15th) day after the first anniversary of the EGM Date (both dates inclusive), failing which the option shall lapse and cease to be exercisable.

An option to subscribe for Optional Bonds may be exercised by a Bondholder completing an option exercise notice and remitting the subscription moneys payable. An option may only be exercised in respect of a minimum amount of HK\$5,000,000 in principal amount of Optional Bonds and in multiples of HK\$5,000,000.

The Optional Bonds shall be issued on the same terms and conditions of the Convertible Bonds, except that the provisions in relation to options to subscribe for Optional Bonds shall not apply in respect of any Optional Bonds and, accordingly, no further options shall be issued on the conversion of any Optional Bonds.

Based on the initial Conversion Price of HK\$0.275 per Share, the Firm Bonds are convertible into 1,000,000,000 Conversion Shares, which represent approximately 201.76% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 62.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Firm Bonds at the initial Conversion Price of HK\$0.275 per Share and the Subscription Completion.

Based on the initial Conversion Price of HK\$0.275 per Share, the Optional Bonds are convertible into 1,000,000,000 conversion Shares, which represent approximately 201.76% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 38.54% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Bonds and the Optional Bonds at the initial Conversion Price of HK\$0.275 per Share and the Subscription Completion.

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 Investor Shares and the Conversion Shares.

The gross and the net proceeds (after deducting the estimated expenses incurred in the Share Subscription) to be raised from the Share Subscription are estimated to be approximately HK\$27.3 million and approximately HK\$27.2 million, respectively. The net proceeds raised per Share upon the Subscription Completion are estimated to be approximately HK\$0.274 per Share.

The gross proceeds and the net proceeds (after deducting the estimated expenses incurred in the Bond Subscription) to be raised upon completion of the Bond Subscription (in respect of the Firm Bonds only) are estimated to be approximately HK\$275.0 million and approximately HK\$274.6 million, respectively. If the Optional Bonds are issued, further maximum gross proceeds of HK\$275.0 million and net proceeds of HK\$274.7 million will be raised.

## **GENERAL**

The Investor Shares will be issued pursuant to the General Mandate and will not be subject to further Shareholders' approval. The Conversion Shares will be issued under the Specific Mandate to be sought at the EGM. 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 Investor Shares and the Conversion Shares.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the Bond Subscription Agreement, the transactions contemplated thereunder and the grant of the Specific Mandate.

A circular containing, among other things, further details of the Convertible Bonds and the grant of the Specific Mandate, together with the notice of the EGM, will be dispatched by the Company to the Shareholders as soon as possible in accordance with the Listing Rules.

## **WARNING**

**As the Share Subscription and/or the Bond Subscription may or may not be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENT**

Date: 9 August 2010 (after trading hours)

Parties: (1) The Company, as the issuer; and  
(2) Mr. Liu, Andrew, as the Investor.

The Investor is the Managing Partner and CEO of Unitas Capital Asia Pte. Ltd., a private equity firm. Before joining the firm in 1999, the Investor was an Executive Director of Chong Hing Bank Limited, a commercial bank based in Hong Kong. The Investor was also the President and Managing Director of Morgan Stanley Asia Limited from 1990 to 1997, where he oversaw Morgan Stanley's investment banking business in Asia, excluding Japan.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Investor is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

## **The Share Subscription**

Pursuant to the Subscription Agreement, the Investor has conditionally agreed to subscribe for 99,125,239 Investor Shares, at the Issue Price.

## **Investor Shares**

Pursuant to the Subscription Agreement, 99,125,239 new Shares will be issued and allotted, representing approximately 20% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the 99,125,239 new Shares under the Subscription Agreement.

## **Ranking of the Investor Shares**

The Investor Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Investor Shares.

## **Issue Price**

The Issue Price of HK\$0.275 per Share represents:

- (i) a discount of approximately 12.70% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 9 August 2010, being the date of the Subscription Agreement;
- (ii) a discount of approximately 14.06% to the average closing price of approximately HK\$0.320 per Share in the last five consecutive trading days up to and including the date of the Subscription Agreement; and
- (iii) a discount of approximately 15.90% to the average closing price of approximately HK\$0.327 in the last ten consecutive trading days up to and including the date of the Subscription Agreement.

The Issue Price was negotiated on an arm's length basis between the Company and the Investor and was determined after taking into account the prevailing market price of the Shares. The Directors consider that the Issue Price is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

## **Condition to the Subscription Agreement**

Completion of the Share Subscription is conditional upon the Listing Committee of the Stock Exchange having granted (subject to allotment) the listing of, and permission to deal in, the Investor Shares.

If the above condition is not fulfilled or waived on or before the date falling on the expiry of one month after the date of the Subscription Agreement, or such other date as may be agreed by the Company and the Investor, the Subscription Agreement shall cease to have any force and effect and neither party to the Subscription Agreement shall have any claims against the other party in respect of any matter arising out of or in connection with the Subscription Agreement save for any antecedent breach.

## **Subscription Completion**

Subscription Completion will take place on the third Business Day after the fulfillment of condition above or such other date to be agreed between the Company and the Investor.

## **BOND SUBSCRIPTION AGREEMENT**

Date: 9 August 2010 (after trading hours)

Parties: (1) The Company; and  
(2) Mr. Liu, Andrew, as the Investor.

Under the Bond Subscription Agreement, the Investor has agreed to subscribe for or procure the subscription of the Firm Bonds and the Company has agreed to issue to the Investor and/or his nominee(s) the Firm Bonds subject to and on the terms of the Bond Subscription Agreement.

## **Principal terms of the Convertible Bonds**

Principal amount Firm Bonds – HK\$275,000,000  
Optional Bonds – HK\$275,000,000

Tranches	<p>The Firm Bonds shall be issued to the Investor and/or his nominee(s), at par for cash, within three months after the date of EGM in separate tranches (each a “Tranche”) in such amounts as may be notified by the Investor in writing provided that the principal amount of the Firm Bonds in each Tranche shall not be less than HK\$25,000,000 save for the last Tranche and shall be in multiples of HK\$5,000,000.</p> <p>If the Firm Bonds are not fully subscribed before the expiry of the three-month period after the date of EGM, the Investor shall subscribe for or procure the subscription of all the remaining principal amount of Firm Bonds (to the extent not already subscribed in previous Tranches) by the end of such three-month period.</p>
Interest	Both Firm Bonds and Optional Bonds shall not bear any interest.
Maturity	In respect of the Firm Bonds, the day last preceding the second anniversary of the date of EGM or, if that is not a Business Day, the first Business Day thereafter and in respect of the Optional Bonds, the day last preceding the fourth anniversary of the date of EGM or, if that is not a Business Day, the first Business Day thereafter.
Conversion price	Initially at HK\$0.275 per Share, subject to adjustments as set out in the terms and conditions of the Convertible Bonds
Adjustments to the conversion price	<p>The conversion price will be adjusted upon occurrence of the following events:</p> <ol style="list-style-type: none"> <li>(1) there shall be consolidation or subdivision of Shares;</li> <li>(2) the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves or by way of a scrip dividend;</li> </ol>

- (3) the Company shall make any capital distribution to the Shareholders;
- (4) the Company shall issue Shares and any securities to Shareholders whether or not by way of rights;
- (5) the Company shall issue Shares upon conversion, exchange or subscription of securities;
- (6) there shall be modification of the rights of conversion, exchange or subscription attaching to securities;
- (7) the Company shall issue, sell or distribute any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate whereby such securities may be acquired by them; and
- (8) either the Company or the Bondholders holding not less than 75% in value of the outstanding principal amount of the Bonds determine that an adjustment should be made to the Conversion Price.

Ranking of Conversion  
Shares

The Conversion Shares shall rank pari passu in all respects with all other existing Shares outstanding at the conversion date and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the conversion date.



Conversion period	A holder(s) of the Convertible Bonds shall have the right at any time during the period commencing from the date of issue of the Convertible Bonds up to and including the Maturity Date to convert the whole or any part (in minimum amount of HK\$5,000,000 and in multiples of HK\$5,000,000) of the outstanding principal amount of the Convertible Bonds or the entire amount of the Bonds which remain available for conversion if it is less than HK\$5,000,000 into Conversion Shares on each conversion, provided that no Convertible Bonds may be converted to the extent that following the exercise of conversion right, the minimum 25% public float requirement of the Company as required under the Listing Rules cannot be satisfied.
Redemption	Unless previously redeemed or converted in accordance with the terms and conditions of the Convertible Bonds, the Company shall redeem all Convertible Bonds on the Maturity Date at a redemption amount which is equal to 100% of the principal amount of the Convertible Bonds then outstanding.
Listing	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.
Transferability	The Convertible Bonds may not be transferred to a connected person of the Company without the prior written consent of the Company and without complying the applicable provisions of the Listing Rules.

## Optional Bonds

During the period between the date of issue of the Firm Bonds and the date falling on the fifteenth (15th) day after the first anniversary of the EGM date (both dates inclusive), on an exercise of the conversion rights attaching to the Firm Bonds prior to the first anniversary of the EGM date, a converting Bondholder shall have an option to subscribe for an aggregate principal amount of the Optional Bonds equal to (but not exceeding) the principal amount of Firm Bonds which have been converted by that converting Bondholder on the relevant exercise of conversion rights prior to the first anniversary of the EGM Date, failing which the option shall lapse and cease to be exercisable.

An option to subscribe for Optional Bonds may be exercised by a Bondholder completing an option exercise notice and remitting the subscription moneys payable. An option may only be exercised in respect of part of the principal amount of Optional Bonds under such option provided that the aggregate principal amount of the Optional Bonds being subscribed can never exceed the principal amount of Firm Bonds converted by such holder of option prior to the first anniversary of the EGM date and that the principal amount of the Optional Bonds available for subscription under an option shall be reduced by the same principal amount of Optional Bonds in respect of which option has been exercised. An option may only be exercised in respect of a minimum amount of HK\$5,000,000 in principal amount of Optional Bonds and in multiples of HK\$5,000,000.

Completion of the issue of the Optional Bonds is conditional upon:

- (i) the passing by shareholders of the Company in a general meeting of the Company of a resolution to approve the issue of the Optional Bonds and any conversion shares falling to be issued on exercise of the conversion rights of the Optional Bonds; and

- (ii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the conversion shares to be issued upon exercise of conversion rights attached to the Optional Bonds.

The Optional Bonds shall be issued on the same terms and conditions of the Convertible Bonds, except that the provisions in relation to options to subscribe for Optional Bonds shall not apply in respect of any Optional Bonds and, accordingly, no further options shall be issued on the conversion of any Optional Bonds.

The initial Conversion Price of HK\$0.275 per Share represents:

- (i) a discount of approximately 12.70% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 9 August 2010, being the date of the Bond Subscription Agreement;
- (ii) a discount of approximately 14.06% to the average closing price of approximately HK\$0.320 per Share in the last five consecutive trading days up to and including the date of the Bond Subscription Agreement; and
- (iii) a discount of approximately 15.90% to the average closing price of approximately HK\$0.327 in the last ten consecutive trading days up to and including the date of the Bond Subscription Agreement.

Based on the initial Conversion Price of HK\$0.275 per Share, the Firm Bonds are convertible into 1,000,000,000 Conversion Shares, which represent approximately 201.76% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 62.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Firm Bonds at the initial Conversion Price of HK\$0.275 per Share and the Subscription Completion.

Based on the initial Conversion Price of HK\$0.275 per Share, the Optional Bonds are convertible into 1,000,000,000 conversion Shares, which represent approximately 201.76% of the existing issued share capital of the Company of 495,626,198 Shares as at the date of this announcement and approximately 38.54% of the issued share capital of the Company as enlarged by the issue of the conversion Shares upon full conversion of the Firm Bonds and the Optional Bonds at the initial Conversion Price of HK\$0.275 per Share and the Subscription Completion.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Investor with reference to the prevailing market price of the Shares.

### **Conditions Precedent**

The issue of Convertible Bonds shall be conditional upon: (a) the passing by the Shareholders at the EGM of a resolution to approve the Bond Subscription Agreement and the issue of the Conversion Shares; and (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares.

If the condition above is not fulfilled on or before 3 February 2011 (or such other date as may be agreed between the Investor and the Company), the obligations of the parties under the Bond Subscription Agreement shall lapse.

### **Completion of the Bond Subscription**

Completion of the issue of each Tranche of the Firm Bonds shall take place on the third Business Day after the date of issue of the subscription notice by the Subscriber to the Company specifying the principal amount of Firm Bonds he intends to subscribe for and to be issued and the name to which such Firm Bonds should be issued.

### **Specific Mandate**

The Conversion Shares will be issued under the Specific Mandate to be sought at the EGM. Application will be made to the Stock Exchange for listing of, and permission to deal in, the Conversion Shares.

## **USE OF PROCEEDS AND REASONS FOR THE SHARE SUBSCRIPTION AND ISSUE OF CONVERTIBLE BONDS**

The Group is principally engaged in the business of property investment, investment in securities, securities brokerage, money lending and investment holding.

Terms of the Subscription Agreement and the Bond Subscription Agreement were determined after arm's length negotiations between the Company and the Investor. The Directors consider that the Share Subscription and the issue of Convertible Bonds represent opportunities to provide additional funding to expand the Company's financial services business. Accordingly, the Directors consider that the Subscription Agreement and the Bond Subscription Agreement to be in the interest of the Company and the Shareholders as a whole. The net proceeds from the Share Subscription and the Bond Subscription will be utilized for expanding the financial services business of the Group and as general working capital of the Group.

The gross and the net proceeds (after deducting the estimated expenses incurred in the Share Subscription) to be raised from the Share Subscription are estimated to be approximately HK\$27.3 million and approximately HK\$27.2 million, respectively. The net proceeds raised per Share upon the Subscription Completion are estimated to be approximately HK\$0.274 per Share.

The gross proceeds and the net proceeds (after deducting the estimated expenses incurred in the Bond Subscription) to be raised upon completion of the Bond Subscription (in respect of the Firm Bonds only) are estimated to be approximately HK\$275.0 million and approximately HK\$274.6 million, respectively. If the Optional Bonds are issued, further maximum gross proceeds of HK\$275.0 million and net proceeds of HK\$274.7 million will be raised.

## FUND RAISING EXERCISES DURING THE PAST 12 MONTHS

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
9 April 2010	Placing of 76,270,000 new Shares on a fully underwritten basis	HK\$37.09 million	General working capital	Applied as intended
22 January 2010	Placing of 46,892,699 new Shares on a fully underwritten basis	HK\$25.04 million	General working capital	Applied as intended
19 October 2009	Placing of 39,000,000 new Shares under general mandate on a fully underwritten basis	HK\$22.5 million	Repayment of the debts of the Group	Applied as intended

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months before the date of this announcement.

## CHANGES IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after the Subscription Completion, (iii) after the Subscription Completion and assuming the Firm Bonds are fully converted into Shares at the initial Conversion Price of HK\$0.275 (subject to adjustment) per Share; and (iv) after the Subscription Completion and assuming (a) the options to subscribe for the Optional Bonds have been fully exercised and the Optional Bonds in the aggregate principal amount of HK\$275,000,000 have been fully issued; and (b) the Firm Bonds and the Optional Bonds are fully converted into Shares at the initial Conversion Price of HK\$0.275 (subject to adjustment) per Share is as follows:

Shareholders	As at the date of this announcement		Immediately after the Subscription Completion		After the Subscription Completion and assuming the Firm Bonds are fully converted into Shares at the initial Conversion Price of HK\$0.275 (subject to adjustment) per Share		After the Subscription Completion and assuming (a) the options to subscribe for the Optional Bonds have been fully exercised and the Optional Bonds in the aggregate principal amount of HK\$275,000,000 have been fully issued; and (b) the Firm Bonds and the Optional Bonds are fully converted into Shares at the initial Conversion Price of HK\$0.275 (subject to adjustment) per Share	
	<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>	
	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>	<i>% (approx.)</i>
<b>Executive Directors:</b>								
Dr. Yang Fan Shing	66,000	0.01	66,000	0.01	66,000	0.00	66,000	0.00
Ms. Kwok Wai Ming	3,640,600	0.73	3,640,600	0.61	3,640,600	0.23	3,640,600	0.14
Ms. Au Shuk Yee, Sue	1,229,000	0.25	1,229,000	0.21	1,229,000	0.08	1,229,000	0.05
<b>Investor:</b>								
Share Subscription	–	–	99,125,239	16.67	99,125,239	6.21	99,125,239	3.82
Firm Bonds	–	–	–	–	1,000,000,000	62.71	1,000,000,000	38.54
Optional Bonds	–	–	–	–	–	–	1,000,000,000	38.54
<b>Public Shareholders:</b>	490,690,598	99.01	490,690,598	82.50	490,690,598	30.77	490,690,598	18.91
<b>Total</b>	<u>495,626,198</u>	<u>100.00</u>	<u>594,751,437</u>	<u>100.00</u>	<u>1,594,751,437</u>	<u>100.00</u>	<u>2,594,751,437</u>	<u>100.00</u>

## **IMPLICATIONS UNDER THE TAKEOVERS CODE**

Upon completion of the Share Subscription, 99,125,239 Investor Shares will be issued by the Company to the Investor and the shareholding interest of the Investor in the Company will be approximately 16.67% as enlarged by the Share Subscription. If in respect of the issue of Conversion Shares upon conversion of the Convertible Bonds an obligation under Rule 26 of the Takeovers Code to make a general offer arises on the part of the Investor and/or parties acting in concert with it, the Investor has undertaken that it will, inter alia, procure that such general offer be made in accordance with the Takeovers Code and/or such directions as the Securities and Futures Commission may give.

## **GENERAL**

The Investor Shares will be issued pursuant to the General Mandate and will not be subject to further Shareholders' approval.

The Conversion Shares will be issued under the Specific Mandate to be sought at the EGM.

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 Investor Shares and the Conversion Shares.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the Bond Subscription Agreement, the transactions contemplated thereunder and the grant of the Specific Mandate.

The issue of Convertible Bonds is subject to Shareholders' approval. If the Share Subscription is completed before the EGM, the Investor will become a Shareholder holding 99,125,239 Shares representing approximately 16.67% of the issued share capital of the Company as enlarged by the Share Subscription. As the Investor will be regarded as having a material interest in the Bond Subscription, he and his associates will be required to abstain from voting on the resolution regarding the Bond Subscription.

A circular containing, among other things, further details of the Convertible Bonds and the grant of the Specific Mandate, together with the notice of the EGM, will be dispatched by the Company to the Shareholders as soon as possible in accordance with the Listing Rules.



## WARNING

**As the Share Subscription and/or the Bond Subscription may or may not be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bondholder”	holder of the Convertible Bonds;
“Bond Subscription”	subscription of Convertible Bonds by the Investor and/or his nominee(s) pursuant to the Bond Subscription Agreement;
“Bond Subscription Agreement”	conditional bond subscription agreement dated 9 August 2010 entered into between the Company and the Investor in relation to the Bond Subscription;
“Business Day”	a day (other than a Saturday and Sunday) on which banks are open for business in Hong Kong;
“Company”	Freeman Corporation Limited (Stock Code: 279), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Conversion Price”	HK\$0.275 per Share, subject to adjustment;
“Conversion Shares”	the Shares falling to be issued by the Company under the Convertible Bonds upon exercise by a Bondholder of the conversion rights attaching to the Convertible Bonds;

“Convertible Bonds”	Firm Bonds and Optional Bonds to be issued by the Company pursuant to the Bond Subscription Agreement;
“Directors”	directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened to approve, inter alia, the Bond Subscription Agreement, the transactions contemplated thereunder and the grant of the Specific Mandate;
“Firm Bonds”	convertible bonds in aggregate principal amount of HK\$275,000,000 to be issued by the Company pursuant to the Bond Subscription Agreement;
“General Mandate”	the refreshed general mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company held on 20 May 2010 to allot and issue up to 99,125,239 new Shares, representing 20% of the then issued share capital of the Company as at the date of such extraordinary general meeting;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Investor”	Mr. Liu, Andrew;
“Investor Shares”	99,125,239 new Shares to be issued pursuant to the Subscription Agreement;
“Issue Price”	HK\$0.275 per Investor Share;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	in respect of the Firm Bonds, the date last preceding the second anniversary of the EGM date or, if that is not a Business Day, the first Business Day thereafter and in respect of the Optional Bonds, the date last preceding the fourth anniversary of the EGM date or, if that is not a Business Day, the first Business Day thereafter;
“Optional Bonds”	convertible bonds in aggregate principal amount of up to HK\$275,000,000 to be issued by the Company upon exercise of the option to subscribe for optional bonds;
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Share Subscription”	subscription of the Investor Shares by the Investor pursuant to the Subscription Agreement;
“Shareholder(s)”	holder(s) of Shares;
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Conversion Shares pursuant to the Bond Subscription Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	conditional subscription agreement dated 9 August 2010 entered into between the Company and the Investor in relation to the Share Subscription;
“Subscription Completion”	completion of the Share Subscription;

“subsidiaries” has the meaning given to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers; and

“%” per cent.

By order of the Board  
**Freeman Corporation Limited**  
**Lo Kan Sun**  
*Managing Director*

Hong Kong, 9 August 2010

As at the date of this announcement, the Board comprises the following Directors:–

*Executive Directors:*

Dr. Yang Fan Shing, Andrew (*Chairman*)  
Mr. Lo Kan Sun (*Managing Director*)  
Ms. Kwok Wai Ming  
Ms. Au Shuk Yee, Sue  
Mr. Scott Allen Phillips

*Independent non-executive Directors:*

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