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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)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY SHARE HELD ON RECORD DATE AND RESUMPTION OF TRADING

Joint Financial Advisers



結好融資有限公司
GET NICE CAPITAL LIMITED

VEDA | CAPITAL
智略資本

Underwriter of the Rights Issue



結好證券有限公司
GET NICE SECURITIES LIMITED

RIGHTS ISSUE

The Company proposes to raise approximately HK\$107.5 million before expenses (assuming no Options are exercised on or before the Record Date) to approximately HK\$108.6 million before expenses (assuming all of the Options are exercised on or before the Record Date) by way of the Rights Issue of issuing not less than 977,317,496 Rights Shares and not more than 986,926,396 Rights Shares at a price of HK\$0.11 per Rights Share payable in full on acceptance.

The Company will provisionally allot one Rights Share in nil-paid form for every Share in issue and held on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be between approximately HK\$103.8 million (assuming no Options are exercised on or before the Record Date) to HK\$104.9 million (assuming all of the Options are exercised on or before the Record Date). The Company intends to utilize approximately \$90 million for the subscription for the convertible notes pursuant to the subscription agreement in relation to a convertible notes to be issued by Hennabun Capital Group Limited and the remaining proceeds as the general working capital.

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed “Conditions of the Underwriting Agreement”. In particular, the Rights Issue is subject to the Underwriter not terminating the

Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and /or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.

Pursuant to the requirements of the Listing Rules, the Rights Issue is conditional on the approval by the Shareholders at the EGM, where the controlling Shareholder, or in the case that the Company has no controlling Shareholder, the Directors and the chief executive of the Company are required to abstain from voting in favour of the Rights Issue. As at the date of this announcement, Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming, both being executive Directors, held Shares as referred to the section headed "Shareholding in the Company" of this announcement. Accordingly, Dr. Yang Fan Shing, Andrew, Ms. Kwok Wai Ming and their respective associates, are required to abstain from voting in favour of the Rights Issue at the EGM.

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details about the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) the notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Shareholders at the EGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION IN TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 January 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 12 January 2009.

RIGHTS ISSUE

Issue statistics

- Basis of the Rights Issue : one Rights Share for every Share held on the Record Date
- Number of Shares in issue : 977,317,496 Shares as at the date of this announcement
- Number of Rights Shares : not less than 977,317,496 Rights Shares (assuming no Options are exercised on or before the Record Date) and not more than 986,926,396 Rights Shares (assuming all of the Options are exercised on or before the Record Date)
- Subscription price per Rights Share : HK\$0.11 per Rights Share with nominal value of HK\$0.10 each Rights Share

Undertakings

Upon completion of the acquisition by the Company of shares in Hennabun Capital Group Limited as described in the announcement of the Company dated 10 December 2008, a non-interest bearing convertible note in the principal amount of HK\$105.8 million shall be issued by the Company to Equity Spin.

Pursuant to the Underwriting Agreement, Equity Spin has irrevocably undertaken to each of the Company and the Underwriter that in the event that the Equity Spin Convertible Note is issued to Equity Spin and new Shares ("**Conversion Shares**") are issued and allotted to Equity Spin upon exercise of conversion rights under the Equity Spin Convertible Note on or before the Record Date:

- (i) the Conversion Shares will remain registered in the name of Equity Spin till the Record Date;
- (ii) Equity Spin will take up and pay for or procure to be taken up and paid for on the terms of the Prospectus Documents all the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Conversion Shares beneficially owned by Equity Spin pursuant to the terms of the Rights Issue; and
- (iii) Equity Spin will procure that the acceptances in respect of the aforesaid Rights Shares shall be lodged with the registrar of the Company or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the Acceptance Date.

Pursuant to the Underwriting Agreement, the Company has undertaken to the Underwriter that save for the consent of the Underwriter or pursuant to the Options and/or the Equity Spin Convertible Note, no further share capital or loan capital will be issued by the Company and no alteration will be made in the rights attached to any of the issued Shares pending the commencement of dealings in the fully paid Rights Shares. It is currently expected that the Equity Spin Convertible Note will be issued after the Record Date.

Rights Shares

As at the date of this announcement, there are outstanding Options to subscribe for an aggregate of 9,608,900 Shares. Assuming all of the Options are exercised on or before the Record Date, a total of 9,608,900 new Shares may fall to be issued and hence an

additional 9,608,900 Rights Shares would be issued, in which the maximum number of Rights Shares that may be issued by the Company will become 986,926,396.

Save for the above outstanding Options, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming no Options are exercised on or before the Record Date, the 977,317,496 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 20 February 2009.

Closure of register of members

The register of members of the Company will be closed from 23 February 2009, to 26 February 2009, both dates inclusive. No transfers of the Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the Cayman Islands.

The Company is currently making enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The

Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Subscription price

The subscription price for the Rights Shares is HK\$0.11 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The subscription price represents:

- (a) a discount of about 28.57% to the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of about 16.67 % to the theoretical ex-rights price of approximately HK\$0.132 based on the closing price of HK\$0.154 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of about 26.67% to the average closing price of approximately HK\$0.15 per Share for the five trading days ended on the Last Trading Day.

The subscription price for the Rights Shares was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Share prior to the Last Trading Day. The Directors consider the terms of the Rights Issue, including the subscription price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price raised per Rights Share upon full upon acceptance of the relevant provisional allotment of Rights Shares (assuming no Options are exercised on or before the Record Date) will be approximately HK\$0.106 per Share.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every Share in issue and held on Record Date, being not less than 977,317,496 Rights Shares and not more than 986,926,396 Rights Shares at a price of HK\$0.11 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares).

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary document with the Registrar for completion of the relevant registration by 4:30 p.m. on 20 February 2009.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 23 March 2009. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 23 March 2009 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 10,000), which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

UNDERWRITING AGREEMENT

The Underwriter has entered into the Underwriting Agreement on 8 January 2009, pursuant to which, the Underwriter agreed to fully underwrite not less than 977,317,496 Rights Shares and not more than 986,926,396 Rights Shares. To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the Underwriting Agreement, the Underwriter has undertaken with the Company that (a) it shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Underwritten Shares procured by it under the relevant terms of the Underwriting Agreement, shall be a third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; and (b) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 30% or more of the issued share capital of the Company immediately after the Rights Issue; and (c) the Underwriter shall and shall cause the sub-underwriters to procure independent places to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Rights Issue.

Commission

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price of the Underwritten Shares, out of which the Underwriter will or may pay any sub-underwriting fees. The Directors believe that the underwriting commission accords with market rates.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under Underwriting Agreement are conditional on:-

- (i) the passing at the EGM on or before the Posting Date of resolutions to the Rights Issue in accordance with the Listing Rules;
- (ii) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto);
- (iii) the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;
- (iv) compliance by the Company with certain obligations under the Underwriting Agreement;
- (v) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and not

having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;

- (vi) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of this announcement) and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (vii) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- (viii) the delivery to the Company and the Underwriter of the undertaking by Equity Spin duly executed by Equity Spin in favour of the Company and the Underwriter.

In the event that the above conditions (other than the conditions (i), (ii) and (v) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date or in the event that the condition (v) has not been satisfied on or before 4.00 p.m. on the Settlement Date (or, in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties hereto shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter (but not the underwriting commission) shall be borne by the Company.

The Company shall use all reasonable endeavours to procure the fulfilment of the above conditions (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue and the arrangements contemplated by the Underwriting Agreement.

Termination and force majeure

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Acceptance Date if there occurs: -

1. an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
2. 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 Underwriting Agreement) of a political, military, financial, economic or 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 such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or

3. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Acceptance Date:

4. (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriter shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after any matter or event referred to in the relevant clauses of the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and none of the parties thereunder shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the costs, fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from 19 February 2009. Dealings in the Rights Shares in the nil-paid form will take place from 3 March 2009 to 10 March 2009 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 3 March 2009 to 10 March 2009 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 3 March 2009 to 10 March 2009 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Expected timetable

The expected timetable for the Rights Issue is set out below:

2009

Despatch of Circular and proxy form of EGM	Monday, 9 February
Last day of dealings in the Shares on a cum-rights basis	Wednesday, 18 February
Commencement of dealings in the Shares on an ex-rights basis	Thursday, 19 February
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Friday, 20 February
Register of members closes (both days inclusive)	Monday, 23 February to Thursday, 26 February
Latest time for return of proxy form of EGM (not less than 48 hours)	10:00 a.m., Tuesday, 24 February
Expected date and time of EGM	10:00 a.m., Thursday, 26 February
Record Date	Thursday, 26 February
Announcement of results of EGM	Friday, 27 February
Register of members to be re-opened	Friday, 27 February
Posting Date	Friday, 27 February
First day of dealings in nil-paid Rights Shares	Tuesday, 3 March
Latest time for splitting of nil-paid Rights Shares	4:30 p.m., Thursday, 5 March
Last day of dealings in nil-paid Rights Shares	Tuesday, 10 March
Acceptance Date	4:00 p.m., Friday, 13 March
Settlement Date	Tuesday, 17 March
Rights Issue expected to become unconditional	after 4:00 p.m., Tuesday, 17 March
Announcement of results of acceptance and excess application of the Rights Issue	Wednesday, 18 March
Despatch of refund cheques for wholly and partially unsuccessful excess applications	Monday, 23 March
Despatch of certificates for fully-paid Rights Shares	Monday, 23 March
First day of dealings in the fully-paid Rights Shares	Wednesday, 25 March

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders appropriately.

Shareholding in the Company

Scenario 1:

Assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue; (ii) there is no Options exercised, no issue or conversion of the Equity Spin Convertible Note and the General Mandate is not utilised on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Shareholders takes up any of the Rights Shares the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
- Dr. Yang Fan Shing, Andrew (Note 1)	540,000	0.05	1,080,000	0.05	540,000	0.03
- Ms. Kwok Wai Ming (Note 1)	4,668,000	0.48	9,336,000	0.48	4,668,000	0.24
<i>Total Directors' interests</i>	<i>5,208,000</i>	<i>0.53</i>	<i>10,416,000</i>	<i>0.53</i>	<i>5,208,000</i>	<i>0.27</i>
Public Shareholders						
- existing public Shareholders	972,109,496	99.47	1,944,218,992	99.47	972,109,496	49.73
- Options holders	0	0.00	0	0.00	0	0.00
<i>Total public Shareholders' interests</i>	<i>972,109,496</i>	<i>99.47</i>	<i>1,944,218,992</i>	<i>99.47</i>	<i>972,109,496</i>	<i>49.73</i>
- Underwriter (Note 2)	0	0.00	0	0.00	977,317,496	50.00
Total	<u>977,317,496</u>	<u>100.00</u>	<u>1,954,634,992</u>	<u>100.00</u>	<u>1,954,634,992</u>	<u>100.00</u>

Scenario 2:

Assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue; (ii) all of the Options are exercised on or before the Record Date; (iii) there is no issue or conversion of the Equity Spin Convertible Note and the General Mandate is not utilised on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue assuming all Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Shareholders takes up any of the Rights Shares the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
- Dr. Yang Fan Shing, Andrew (Note 1)	540,000	0.05	1,080,000	0.05	540,000	0.02
- Ms. Kwok Wai Ming (Note 1)	4,668,000	0.48	9,336,000	0.48	4,668,000	0.24
<i>Total Directors' interests</i>	<i>5,208,000</i>	<i>0.53</i>	<i>10,416,000</i>	<i>0.53</i>	<i>5,208,000</i>	<i>0.26</i>
Public Shareholders						
- existing public Shareholders	972,109,496	99.47	1,944,218,992	98.50	972,109,496	49.25
- Options holders	-	0.00	19,217,800	0.97	9,608,900	0.49
<i>Total public Shareholders' interests</i>	<i>972,109,496</i>	<i>99.47</i>	<i>1,963,436,792</i>	<i>99.47</i>	<i>981,718,396</i>	<i>49.74</i>
- Underwriter (Note)	-	0.00	-	0.00	986,926,396	50.00
Total	<u>977,317,496</u>	<u>100.00</u>	<u>1,973,852,792</u>	<u>100.00</u>	<u>1,973,852,792</u>	<u>100.00</u>

Notes:

- Being executive Directors.
- Pursuant to the Underwriting Agreement, the Underwriter has undertaken with the Company that (a) it shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Underwritten Shares procured by it under the relevant terms of the Underwriting Agreement, shall be a third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; and (b) the Underwriter will enter into sub-underwriting agreements such that none of the Underwriter and the sub-underwriters (together with parties acting in concert with each of them) will hold 30% or more of the issued share capital of the Company immediately after the Rights Issue; and (c) the Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after the Rights Issue.

Reasons for the Rights Issue and use of proceeds

The principal activity of the Company is investment holding. The Group is principally engaged in the insurance business, provision of finance, trading of securities, property holding and investment.

The Directors consider appropriate for the Company to capture the fund raising opportunity through the Rights Issue on a fully underwritten basis and on a basis which will allow all Qualifying Shareholders to participate in the Rights Issue in proportion to their shareholdings. The estimated net proceeds of the Rights Issue will be between approximately HK\$103.8 million (assuming no Options are exercised on or before the Record Date) to approximately HK\$104.9 million (assuming all of the Options are exercised on or before the Record Date). The Company intends to utilize approximately \$90 million for the subscription for the convertible notes pursuant to the subscription agreement in relation to a convertible notes to be issued by Hennabun Capital Group Limited entered into between a wholly-owned subsidiary of the Company, Hennabun Capital Group Limited and Mr. Chuang Eugene Yue-chien (details of which are set out in the announcement of the Company dated 10 December 2008), and the remaining proceeds as general working capital.

The Directors consider that it is in the interest of the Company and the Shareholders to raise further capital through the Rights Issue, and that the Rights Issue will allow all Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company.

Fund raising exercise of the Company

With reference to the announcements of the Company dated 4 December 2007 and 8 July 2008 respectively, the Company proposed to raise funds by way of rights issue of Shares at HK\$0.12 per rights Share and a total of approximately HK\$475.6 million of net proceeds has been raised upon the close of acceptance of rights Shares. The Company intended to use the proceeds as the funding for expansion of the Group's current businesses including the insurance business and related financial services business. As at the date of the announcement, the proceeds have been placed into the general working capital pool of the Company. The Directors believe that longer time will be required for the application of license of the insurance business and will consider applying such amount on the financial business of the Company which includes but not limited to the securities held for trading and short term loans lent and subscription of the convertible note to be issued by Hennabun Capital Group Limited.

Save as abovementioned, the Company had not conducted any fund raising exercise in the past 12 months from the date of this announcement.

Adjustments in relation to the Options

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Options. The Company will notify the holders of the Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme.

GENERAL

In accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval by Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive Directors) and the chief

executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue at the EGM. As at the date of this announcement, Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming, both being executive Directors, held Shares as referred to the section headed "Shareholding in the Company" of this announcement. Accordingly, Dr. Yang Fan Shing, Andrew, Ms. Kwok Wai Ming and their respective associates, are required to abstain from voting in favour of the Rights Issue at the EGM.

An independent board committee of the Company comprising the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details about the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) the notice convening the EGM, will be despatched to the Independent Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Shareholders at the EGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION IN TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 January 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 12 January 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Acceptance Date"	13 March 2009 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment of, Rights Shares)
"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day on which banks are generally open for business in Hong Kong other than a Saturday
"Circular"	the circular to be despatched to the Shareholders in relation to the Rights Issue together with the notice of the EGM to approve the relevant resolutions
"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

“Directors”	directors of the Company
“EAF”	the excess application form to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Rights Issue
“Equity Spin”	Equity Spin Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Equity Spin Convertible Note”	the convertible note to be issued by the Company in the principal amount of HK\$105.8 million to Equity Spin as set out in the announcement by the Company dated 10 December 2008
“General Mandate”	the general mandate to issue and allot Shares granted by Shareholders to the Directors at the annual general meeting of the Company held on 25 August 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholder(s) other than Dr. Yang Fan Shing, Andrew, Ms. Kwok Wai Ming and their respective associates
“Last Trading Day”	8 January 2009, being the last trading day before the suspension of the trading of the Shares, pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Options”	the options to subscribe for Shares under the Share Option Scheme
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“PAL”	the provisional allotment letter in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders to be issued in connection with the Rights Issue

“Posting Date”	27 February 2009 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	a prospectus to be despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	26 February 2009 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Secretaries Limited of 26 th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one Rights Share for every one Share in issue and held on the Record Date at a price of HK\$0.11 per Rights Share
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being not less than 977,317,496 Shares and not more than 986,926,396 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Settlement Date”	17 March 2009, being the second Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing)
“Shares”	existing shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 23 August 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Underwriter”	Get Nice Securities Limited, a corporation deemed licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO, which is not a connected person (as defined in the Listing Rules) of the Company
“Underwriting Agreement”	the underwriting agreement dated 8 January 2009 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	all the Rights Shares other than the Rights Shares which may be allotted to Equity Spin
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

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

Hong Kong, 12 January 2009

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

Alternate Director to Ms. Kwok Wai Ming:

Ms. Chong Wing Sze

Non-executive Director:

Mr. Kwong Wai Tim, William

Independent Non-executive Directors:

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