

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FREEMAN CORPORATION LIMITED
民豐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 279)

**PROPOSED CAPITAL REORGANISATION
AND
CHANGE IN BOARD LOT SIZE**

The Company proposes to put forward to its Shareholders the following proposals that:

- (1) the nominal value of all the issued Existing Shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up capital on each issued Existing Share by way of a reduction of capital;
- (2) every ten issued Reduced Shares of HK\$0.01 each be consolidated into one issued Adjusted Share of HK\$0.10; and
- (3) the credit arising from such reduction will be applied towards cancelling the accumulated deficit of the Company with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company.

The Company also proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange from 10,000 Existing Shares to 5,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

A circular containing further details on the Capital Reorganisation together with a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The expected timetable for the implementation of the Capital Reorganisation and Change in Board Lot Size is set out below.

PROPOSED CAPITAL REORGANISATION

It is proposed that:-

- (i) the nominal value of all the issued Existing Shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up capital on each issued Existing Share by way of a reduction of capital;
- (ii) every ten issued Reduced Shares of HK\$0.01 each be consolidated into one issued Adjusted Share of HK\$0.10; and
- (iii) the credit arising from such reduction will be applied towards cancelling the accumulated deficit of the Company with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company.

The Capital Reorganisation (which will be effected in accordance with the Articles of Association of the Company and the Companies Law) is conditional upon:-

- (i) the passing of a special resolution to approve the Capital Reorganisation by Shareholders at the EGM;
- (ii) sanction of the Adjustment Proposal by the Court;
- (iii) compliance with any conditions imposed by the Court; and
- (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue upon the Capital Reorganisation becoming effective.

No shareholder is required to abstain from voting on the Capital Reorganisation at the EGM.

Save for options to subscribe for 10,518,382 Existing Shares which are outstanding under the Share Option Scheme, there are no warrants or other securities convertible into or giving rights to subscribe for the Existing Shares.

Application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Adjusted Shares and any Adjusted Shares which may be issued pursuant to the exercise of options that may be granted under the share option scheme of the Company adopted 23rd August, 2002.

The share capital of the Company consists of 1,954,634,992 Existing Shares in issue and the aggregate nominal value of the issued share capital of the Company is approximately HK\$195.5 million. On the basis of 1,954,634,992 Existing Shares in issue as at the date of this announcement (assuming no Existing Shares are issued from the date hereof until the effective date of the Capital Reorganisation), a total credit of approximately HK\$175.9 million will arise in the books of the Company as a result of the Adjustment Proposal which will be applied as mentioned in the following paragraph.

After the Capital Reorganisation, the authorised share capital of the Company will remain as HK\$5,000,000,000 divided into of 50,000,000,000 Adjusted Shares of HK\$0.10 each, of which approximately 195,463,499 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become HK\$19,546,349.92 (assuming no Existing Shares are issued from the date hereof until the effective date of the Capital Reorganisation). Assuming the Capital Reorganisation is implemented, the total credit arising from the Adjustment Proposal will be used to set off any accumulated deficit of the Company at the relevant time with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company.

Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company.

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has appointed Chung Nam Securities Limited, as an agent to provide matching services for the sale and purchase of odd lots of Adjusted Shares arising from the Capital Reorganisation and the Change in Board Lot Size. Shareholders who wish to take advantage of this facility should contact Mr. Cecil Chan of Chung Nam Securities Limited at 26th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number (852) 3198 0838 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed.

Effect of the Capital Reorganisation

Implementation of the Capital Reorganisation would not, of itself, alter the underlying assets, liabilities, businesses, management or financial position of the Company and the Group or the rights of the Shareholders, except for payment of the related expenses and any fractional Adjusted Shares to which Shareholders may be entitled.

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Free exchange of Adjusted Share certificates and trading arrangements

Subject to the Capital Reorganisation, Shareholders may, during a period to be specified in a further announcement to be made by the Company, submit certificates for Existing Shares to the Company's registrar for exchange, at the expense of the Company, for certificates for Adjusted Shares. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for Adjusted Shares. Nevertheless, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders in question.

Reasons

Despite the 2008 Capital Reorganisation, the Existing Shares of the Company has been trading at a price below its nominal value of HK\$0.10 each recently. Under the Companies Law, it is not permissible for a Cayman company to issue shares at a discount to the nominal value of its shares, unless in compliance with section 35 of the Companies Law, which includes, inter alia, requirements to obtain authorisation of members of the Company and sanction by the Court. Given the current trading prices, the Company is unable to conduct any fund raising activity. In addition, due to the expected 4 to 6 months time lag needed to effect a Capital Reorganisation, the Company proposes to effect the Capital Reorganisation as soon as practicable to provide it with flexibility to effect fund raising exercises as and when opportunities arise.

Timing

The Adjustment Proposal is subject to the Court's approval. The Capital Reorganisation will become effective after the Court's approval and registration of the order of the Court confirming the reduction of issued share capital and the minutes approved by the Court at the Registrar of Companies in the Cayman Islands, which is expected to take approximately 4 to 6 months from the date hereof.

CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded in board lots of 10,000 Existing Shares each. The Company proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange from 10,000 Existing Shares to 5,000 Adjusted Shares (the "Change in Board Lot Size") upon the Capital Reorganisation becoming effective.

Assuming the Capital Reorganisation and the Change in Board Lot Size becomes effective, the Adjusted Shares will be traded in board lots of 5,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$4,500, based on the closing price of HK\$0.90 per Adjusted Share (based on the closing price of HK\$0.09 per Existing Share as quoted on the Stock Exchange on 3rd April 2009 and adjusted for the effect of the Share Consolidation). The Change in Board Lot Size is conditional on the Capital Reorganisation becoming effective.

The Change in Board Lot Size is expected to bring about a corresponding upward adjustment in the trading price of the Adjusted Shares on the Stock Exchange, which will reduce the overall transaction costs for dealings in the Adjusted Shares.

GENERAL

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.

A circular containing details of the Capital Reorganisation and a notice convening the EGM to approve the Capital Reorganisation, will be despatched to Shareholders as soon as practicable.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and the Change in Board Lot Size is set out below:

2009

Despatch of Circular and proxy form of EGM Friday, 24th April

Latest time for return of proxy form of EGM
(not less than 48 hours) 9:00 a.m., Saturday, 16th May

Expected date and time of EGM 9:00a.m., Monday, 18th May

The following events are conditional on the results of the EGM and the relevant Court hearings. The dates are therefore tentative.

Announcement of expected effective date of Capital
Reorganisation Friday, 14th August

Proposed effective date of the Capital Reorganisation after 4:00p.m., Tuesday, 18th August

Commencement of dealings in Adjusted Shares Wednesday, 19th August

Original counter for trading in Existing Shares
(in board lots of 10,000 Existing Shares)
to be closed 9:30 a.m., Wednesday, 19th August

Temporary counter for trading in Adjusted Shares
in board lots of 1,000 Adjusted Shares
(in form of existing share certificates)
to be opened 9:30 a.m., Wednesday, 19th August

Free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Wednesday, 19th August
Designated broker starts to stand in the market to provide matching services for the sale and Purchase of odd lots of Adjusted Shares	Wednesday, 2nd September
Original counter for trading in Adjusted Shares (in board lots of 5,000 Adjusted Shares) to be re-opened	9:30 a.m., Wednesday, 2nd September
Parallel trading in Adjusted Shares (in form of new and existing certificate) begins	9:30a.m., Wednesday, 2nd September
Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates) to be closed	4:00 p.m., Tuesday, 22nd September
Parallel trading in Adjusted Shares (in form of new and existing certificate) ends	4:00 p.m., Tuesday, 22nd September
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares	4:00 p.m., Tuesday, 22nd September
Last day of free exchange of existing share certificates for new share certificates	Thursday, 24th September

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the EGM and the relevant Court hearings and are therefore indicative only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

DEFINITIONS

"Adjusted Shares"	shares of HK\$0.10 each in the capital of the Company upon the Capital Reorganisation becoming effective
"Adjustment Proposal"	the proposal to be put forward to Shareholders for the reduction in nominal value of the Existing Shares by way of a reduction in capital and the application of the credit arising from the capital reduction as described in the section headed "Proposed Capital Reorganisation" in this announcement
"Capital Reorganisation"	the Adjustment Proposal and the Share Consolidation as described in the section headed "Proposed Capital Reorganisation" in this announcement
"Change in Board Lot Size"	the proposed change in board lot size of the Existing Shares for trading on the Stock Exchange from 10,000 Existing shares to 5,000 Adjusted Shares
"Companies Law"	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company"	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong Limited
"Court"	the Grand Court of the Cayman Islands
"Directors"	directors of the Company
"EGM"	an extraordinary general meeting of the Company to be convened as soon as practicable to consider the Capital Reorganisation proposal referred to in this announcement
"Existing Share(s)"	existing ordinary share(s) of HK\$0.10 each in the capital of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"2008 Capital Reorganisation"	the capital reorganisation effected by the Company as referred to in the Company's announcements dated 12th and 22nd August, 17th October, 2008 and 24th November, 2008 and circular dated 25th August, 2008

"Reduced Shares(s)"	ordinary share(s) of HK\$0.01 each in the capital of the Company in issue immediately following completion of the Adjustment Proposal but before the Share Consolidation
"Share Consolidation"	the proposed consolidation of every ten issued Reduced Shares of HK\$0.01 each into one issued Adjusted Share of HK\$0.10 each
"Share Option Scheme"	share option scheme of the Company adopted on 23rd August, 2002
"Shareholder(s)"	holder(s) of the Existing Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board of
FREEMAN CORPORATION LIMITED
Lo Kan Sun
Managing Director

Hong Kong, 3rd April, 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