



FREEMAN CORPORATION LIMITED
民豐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 279)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2008

FINAL RESULTS

The Board of Directors of Freeman Corporation Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i> (Restated)
CONTINUING OPERATIONS			
REVENUE	4	85,340	21,467
Cost of sales		(7,802)	(2,721)
Gross profit		77,538	18,746
Other income and gains	4	27,294	965
Gains arising from changes in fair value of investment properties, net		16,130	1,157
Fair value gains/(losses) on investments at fair value through profit or loss, net		(456,450)	373
Fair value loss on derivative instrument		–	(21,308)
General and administrative expenses		(40,829)	(29,350)
Other expenses		(13,981)	(136,384)
Finance costs	6	(6,059)	(7,467)
Share of profit of an associate, net of impairment of an investment in an associate		–	(41,692)
LOSS BEFORE TAX	5	(396,357)	(214,960)
Tax	7	(7,351)	1,927
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(403,708)	(213,033)
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation		–	771
LOSS FOR THE YEAR		(403,708)	(212,262)

	<i>Notes</i>	2008 HK\$'000	2007 <i>HK\$'000</i> (Restated)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic			
– For loss for the year		<u>HK(59.68) cents</u>	HK(137.69) cents
– For loss from continuing operations		<u>HK(59.68) cents</u>	HK(138.19) cents
Diluted			
– For loss for the year		<u>N/A</u>	N/A
– For loss from continuing operations		<u>N/A</u>	N/A

CONSOLIDATED BALANCE SHEET

31 March 2008

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	31,271	2,145
Investment properties	101,579	63,340
Prepaid land premium	51,047	4,100
Goodwill	–	12,129
Investment in an associate	–	50,000
Available-for-sale investment	18,793	–
Deposits paid for purchases of investment properties	–	3,036
	<hr/>	<hr/>
Total non-current assets	202,690	134,750
	<hr/>	<hr/>
CURRENT ASSETS		
Loans receivable	254,152	295,230
Prepayments, deposits and other receivables	5,042	26,461
Investments at fair value through profit or loss	345,791	132,006
Tax recoverable	–	27
Cash and bank balances	278,649	72,626
	<hr/>	<hr/>
Total current assets	883,634	526,350
	<hr/>	<hr/>
CURRENT LIABILITIES		
Other payables and accruals	5,934	8,804
Interest-bearing bank and other borrowings	5,240	21,457
Tax payable	4,706	–
	<hr/>	<hr/>
Total current liabilities	15,880	30,261
	<hr/>	<hr/>
NET CURRENT ASSETS	867,754	496,089
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,070,444	630,839
	<hr/>	<hr/>

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,070,444	630,839
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	92,541	41,145
Convertible notes	31,853	–
Deferred tax liabilities	2,741	456
Total non-current liabilities	127,135	41,601
Net assets	943,309	589,238
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	814,431	247,397
Reserves	128,878	341,841
Total equity	943,309	589,238

Notes:

1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, available-for-sale investment and investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	<i>Financial Instruments: Disclosures</i>
HKAS 1 Amendment	<i>Capital Disclosures</i>
HK(IFRIC)-Int 8	<i>Scope of HKFRS 2</i>
HK(IFRIC)-Int 9	<i>Reassessment of Embedded Derivatives</i>
HK(IFRIC)-Int 10	<i>Interim Financial Reporting and Impairment</i>
HK(IFRIC)-Int 11	<i>HKFRS 2 – Group and Treasury Share Transactions</i>

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *HKFRS 7 Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group’s financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/ revised where appropriate.

(b) *Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group’s objectives, policies and processes for managing capital.

(c) ***HK(IFRIC)-Int 8 Scope of HKFRS 2***

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees and investment advisors for identified services provided in accordance with the Company's share option scheme, the interpretation has had no effect on these financial statements.

(d) ***HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives***

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretation, the interpretation has had no material impact on the financial position or results of operations of the Group.

(e) ***HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment***

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) ***HK(IFRIC)-Int 11 HKFRS 2 – Group and Treasury Share Transactions***

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. This interpretation also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no effect on these financial statements.

3 SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Hong Kong, and over 90% of the Group's assets are located in Hong Kong.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (i) the trading of securities segment engages in the purchase and sale of securities and the holding of investments primarily for interest income, dividend income and capital appreciation;
- (ii) the provision of finance segment engages in the provision of financing services in Hong Kong;
- (iii) the trading of goods segment engaged in the purchase and sale of commodities;
- (iv) the property holding and investment segment engages primarily in the investments in commercial and residential properties for their rental income potential and/or their appreciation in values;
- (v) the insurance agency and brokerage business segment engages in general and life insurance brokerage business in Hong Kong; and
- (vi) the investment holding segment engages in holding investments for continuing strategic or long term purposes, primarily for their dividend income and capital appreciation.

4 REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents interest income earned from provision of finance; interest income and dividend income from equity investments; gains/(losses) from the sale of investments at fair value through profit or loss; insurance agency and brokerage income; and gross rental income received and receivable from investment properties during the year.

An analysis of revenue, other income and gains is as follows:

	Group	
	2008	2007
	HK\$'000	HK\$'000
		(Restated)
Revenue		
Interest income from provision of finance	17,464	26,449
Interest income from unlisted securities	–	3,503
Dividend income from investments at fair value through profit or loss	1,263	163
Gains/(losses) from the sale of investments at fair value through profit or loss, net [#]	57,807	(11,968)
Gross rental income	2,590	1,228
Insurance agency and brokerage income	6,216	2,092
	85,340	21,467
Other income and gains		
Bank interest income	11,634	309
Other interest income	471	–
Gain on disposal of an investment property	–	393
Gain on settlement of other borrowings	14,545	–
Others	644	263
	27,294	965

[#] The Group's proceeds from the sale of investments at fair value through profit or loss and the corresponding carrying amount were separated into "Revenue" and "Cost of sales", respectively, in the prior year's consolidated income statement. During the current year, the Group changed its presentation, as in the opinion of the directors, it is more appropriate to present the gains/losses from the sale of investments at fair value through profit or loss in "Revenue" on a net basis.

The effect of this change in presentation was to decrease revenue and cost of sales for the year ended 31 March 2008 by HK\$1,254,282,000, representing the carrying amount of investments at fair value through profit or loss disposed of during the year.

To conform with the current year's presentation, the carrying amount of investments at fair value through profit or loss disposed of for the year ended 31 March 2007 of HK\$328,714,000 has been offset against revenue, resulting in a decrease in revenue and cost of sales for that year by the same amount. This has resulted in no change in the amount of accumulated losses as at 1 April 2006.

5 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Group	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation	1,872	595
Recognition of prepaid land premium	247	5
Employee benefits expenses (excluding directors' remuneration):		
Wages, salaries and allowances	9,959	5,287
Equity-settled share option expenses	10,032	2,336
Pension scheme contributions (defined contribution scheme)*	260	164
	<u>20,251</u>	<u>7,787</u>
Share-based payment paid to investment advisors		
for investment advisory services	1,178	2,976
Auditors' remuneration	2,400	2,527
Foreign exchange difference arising from available-for-sale investment	126	–
Minimum lease payments under operating leases in respect of		
land and buildings	442	940
Direct operating expenses arising on rental-earning investment properties	766	277
Loss on disposal/write-off of items of property, plant and equipment	30	188
Loss on revaluation upon reclassification of		
an owner-occupied property to an investment property**	43	–
Loss on disposal of available-for-sale investment**	–	15,932
Loss on disposal of subsidiaries**	212	7,564
Loss on redemption of convertible notes**	287	1,359
Impairment of an investment in an associate	–	69,099
Impairment of goodwill**	12,129	44,050
Impairment of loans receivable**	–	67,479
Impairment of other receivables**	1,310	–
	<u><u>1,310</u></u>	<u><u>–</u></u>

* At 31 March 2008, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefits scheme in future years (2007: Nil).

** These items were presented on the face of the consolidated income statement for the year ended 31 March 2007. During the year, the Group changed its presentation, as in the opinion of the directors, it is more appropriate to include these items in “Other expenses” on the face of the consolidated income statement. Accordingly, the comparative amounts of these items have been reclassified to conform with the current year’s presentation.

6 FINANCE COSTS

	Group	
	2008	2007
	HK\$’000	HK\$’000
Interest on:		
Bank loans not wholly repayable within five years	3,063	948
Overdrafts and other loans		
wholly repayable within five years	194	3,881
Convertible notes	2,802	2,638
	<hr/>	<hr/>
Total finance costs	6,059	7,467
	<hr/> <hr/>	<hr/> <hr/>

7 TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2008	2007
	HK\$’000	HK\$’000
Group:		
Current – Hong Kong		
Charge for the year	2,475	–
Under/(over) provision in prior year	2,258	(2,383)
Deferred	2,618	456
	<hr/>	<hr/>
Tax charge/(credit) attributable to continuing operations reported in the consolidated income statement	7,351	(1,927)
	<hr/> <hr/>	<hr/> <hr/>

The share of tax attributable to an associate amounting to HK\$215,000 for the year ended 31 March 2007 was included in “Share of profit of an associate, net of impairment of an investment in an associate” on the face of the consolidated income statement.

8 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) *Basic loss per share*

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company of HK\$403,708,000 (2007: HK\$212,262,000), and the weighted average number of 676,484,000 (2007: 154,160,000, as restated) ordinary shares in issue during the year. The basic loss per share amounts for the years ended 31 March 2008 and 2007 have been adjusted to reflect the rights issue during the year and the share consolidation subsequent to the balance sheet date.

The calculation of basic loss per share amounts from continuing operations is based on the loss for the year from continuing operations attributable to ordinary equity holders of the Company of HK\$403,708,000 (2007: HK\$213,033,000), and the weighted average number of 676,484,000 (2007: 154,160,000, as restated) ordinary shares in issue during the year. The basic loss per share amounts from continuing operations for the years ended 31 March 2008 and 2007 have been adjusted to reflect the rights issue during the year and the share consolidation subsequent to the balance sheet date.

(b) *Diluted loss per share*

Diluted loss per share amounts for the years ended 31 March 2008 and 2007 have not been disclosed as the share options and convertible notes outstanding during these years had an anti-dilutive effect on the basic loss per share amounts for these years.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2008 (2007: Nil).

FINAL RESULTS

The turnover of the Group for the financial year was HK\$85,340,000 which represented an increase of 298% as compared to that of HK\$21,467,000 (as restated) in last year. The gross profit was HK\$77,538,000 (2007: HK\$18,746,000), representing an increase of 314% as compared to last year's figure. The consolidated net loss attributable to shareholders of the Group for the year was HK\$403,708,000 (2007: HK\$212,262,000). Loss per share was HK59.68 cents (2007: HK137.69 cents, as restated).

The loss incurred by the Group in the financial year was mainly due to the net fair value losses on investments at fair value through profit or loss of HK\$456,450,000 and the impairment of goodwill on acquisition of subsidiaries of HK\$12,129,000.

General and administrative expenses increased from last year's figure of HK\$29,350,000 to HK\$40,829,000 in this year being in line with the increase in operating activities of the Group.

OPERATIONS REVIEW

The Group was principally engaged in the trading of securities, provision of finance, property holding and investment, insurance agency and brokerage business and investment holding during the financial year. The turnover of the Group for the year comprised mainly interest income earned from provision of finance; interest income and dividend income from equity investments; gains/(losses) from the sale of investments at fair value through profit or loss; insurance agency and brokerage income; and gross rental income received and receivable from investment properties.

Trading of securities

The trading of securities remains as a significant part of the Group's business. Net gains from the securities trading business for the year amounted to HK\$59,070,000 (2007: net loss of HK\$11,805,000). The segment had recorded a loss of HK\$396,922,000 (2007: HK\$27,519,000) after taking into account of the changes in fair value of the listed securities held at year end.

Provision of finance

Turnover of the financing business was HK\$17,464,000 (2007: HK\$26,449,000). The business recorded a profit of HK\$17,361,000 in the year (2007: loss of HK\$41,071,000).

Property holding and investment

During the year, the Group had expanded its investment in commercial properties. The total rental income generated from the property holding and investment business for the year amounted to HK\$2,590,000 (2007: HK\$1,228,000) and the segment recorded a profit of HK\$7,683,000 (2007: HK\$1,794,000) in the year after taking into account of the net gains arising from changes in fair value of the investment properties.

Insurance

During the year, the insurance agency and brokerage business recorded a turnover of HK\$6,216,000 (2007: HK\$2,092,000) and a segmental loss of HK\$5,948,000 in the year (2007: HK\$4,055,000).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

As at 31 March 2008, the net current assets of the Group amounted to HK\$867,754,000 (2007: HK\$496,089,000) and the current ratio (current assets/current liabilities) was 55.6 (2007: 17.4). The cash and bank balances were HK\$278,649,000 (2007: HK\$72,626,000).

As at 31 March 2008, the Group had secured bank loans of approximately HK\$97,781,000 (2007: HK\$43,073,000). As at 31 March 2007, the Group also had unsecured other borrowings of HK\$19,529,000. HK\$92,541,000 of the secured bank loans (2007: HK\$41,145,000) were repayable after one year whilst HK\$5,240,000 of the secured bank loans and the unsecured other borrowings (2007: HK\$21,457,000) were repayable within one year. The liability component of the convertible notes was approximately HK\$31,853,000 (2007: Nil). Gearing ratio calculated on the basis of the Group's interest-bearing bank and other borrowings divided by the adjusted capital, being the liability component of the convertible notes and equity attributable to equity holders of the Company, was 10.0% (2007: 10.6%) at the balance sheet date. The bank and other borrowings of the Group were carried at floating interest rates calculated with reference to the Hong Kong dollar prime rate and were made in Hong Kong dollar. Thus there is no exposure to fluctuations in exchange rates in relation to the borrowings.

The Group had no material capital commitment at the year end date (2007: HK\$6,618,000). In light of the amount of liquid assets on hand and banking facility available, the Directors are of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

The Group's assets portfolio is mainly financed by its shareholders' funds. As at 31 March 2008, the Group had shareholders' funds of HK\$943,309,000 (2007: HK\$589,238,000). During the financial year, the Company had carried out several placings of shares pursuant to which a total of 2,234,552,000 new shares were issued with net proceeds of approximately HK\$319,713,000 raised. Net proceeds of approximately HK\$182,836,000 had been raised by the Company during the year from the rights issue of 1,563,986,824 new shares of the Company. Net proceeds of approximately HK\$189,857,000 had also been raised by the Company during the year from the conversion of convertible notes issued by the Company into 1,625,000,000 new shares of the Company. A total of 246,800,000 new shares were also issued during the year through the exercises of certain share options in accordance with the Company's share option scheme and net proceeds of approximately HK\$35,046,000 therefrom was applied to the working capital of the Group. The capital base of the Company had been much improved after the said financing exercises.

Foreign Currency Management

During the year, since the amount of the Group's foreign currency transactions is not material, the Directors are of the view that the Group's exposure to exchange rate risk is not material.

Material Acquisition/Disposal and Significant Investments

On 9 July 2007, the Group disposed of its entire interest in an associate, Hennabun Capital Group Limited, at a consideration of HK\$50,000,000. On 7 September 2007, the Group disposed of its entire interest in a subsidiary, Startech Business Limited, at a consideration of HK\$5,995,000.

Save as aforesaid, the Group did not make any material acquisition or disposal of subsidiary or associate during the year.

Pledge of Assets

As at 31 March 2008, leasehold land and buildings with total carrying amount of approximately HK\$71,458,000 (2007: HK\$5,193,000) and investment properties situated in Hong Kong with an aggregate carrying value of approximately HK\$100,779,000 (2007: HK\$62,540,000) were pledged to secure general banking facilities granted to the Group. Investments held for trading of approximately HK\$345,791,000 (2007: HK\$132,006,000) were pledged to a financial institution to secure margin financing facilities provided to the Group.

Contingent Liabilities

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2008	2007	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees given to banks in connection with facilities granted to subsidiaries	—	—	101,248	53,171

As at 31 March 2008, the banking facilities granted to certain subsidiaries subject to guarantees given to the banks by the Company were utilised to the extent of approximately HK\$97,781,000 (2007: HK\$43,073,000).

Subsequent Events

Subsequent to the balance sheet date, the Group had the following significant post balance sheet events:

- (a) On 14 May 2008, the Company effected a capital reorganisation which involved: (i) a reduction of the nominal value of each issued ordinary share of the Company from HK\$0.10 to HK\$0.01 each by the cancellation of HK\$0.09 of the paid up capital for each issued ordinary share; (ii) the cancellation of the credit arising from such reduction towards the accumulated losses of the Company in the amount of approximately HK\$732,988,000 with the balance to be transferred to the distributable reserve of the Company; and (iii) the consolidation of every ten reduced shares of HK\$0.01 each in the capital of the Company into one adjusted share (“Adjusted Share”).

- (b) The remaining outstanding convertible notes in the principal amount of HK\$50,000,000 were redeemed by the Company pursuant to a board resolution of the Company passed on 20 June 2008.
- (c) On 8 July 2008, a rights issue of five rights share for every Adjusted Shares held by members on the register of members on 16 June 2008 was made at an issue price of HK\$0.12 per rights share, resulting in the issue of 4,072,156,000 new ordinary shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$488,659,000.

Employees' Remuneration Policy and Retirement Benefits Scheme

As at 31 March 2008, the Group employed about 36 staff members including directors of the Company (2007: 35 staff). Staff costs incurred for the year, including directors' remuneration, were approximately HK\$23,054,000 (2007: HK\$10,596,000). It is the remuneration policy of the Group to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Remuneration packages, include granting of share options, are structured to motivate individual performance and contributions to the Group. The Company has adopted a share option scheme on 23 August 2002 for the Directors and the employees. The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for its employees.

BUSINESS PROSPECTS

Followed by the acquisition of the insurance agency and brokerage business and several fund raising activities, 2008 will be a critical year to the Company in relation to the long term insurance license application. The Company has taken a significant step in the application for the insurance authorisation since we have submitted our application together with our initial business proposal to the regulatory authority during the financial year. The Company has managed to recruit a core working team comprising some very experienced and knowledgeable executives to take charge of the implementation of the insurance policies and strategies and we will continue to nurture our best effort to meet with international standards for the establishment of a life insurance company.

In terms of business under our insurance agency and brokerage arm, we are looking for number of target insurers with specialised investment link products for expansion of our product lines. We will continue to identify and establish the most suitable and effective channels for distribution among our sales force in bid to provide a high potential growth of business of the Company in the long run.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (the “Model Code”) to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Based on specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code during the year ended 31 March 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, the Company repurchased the following shares on the Stock Exchange:

Date of Repurchase	No. of shares Repurchased	Price per share		Total Consideration
		Highest	Lowest	
		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
27 February 2008	3	0.04	0.04	0.12

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchase, sold or redeemed any of the listed securities of the Company during the year.

CORPORATE GOVERNANCE

The Company had complied throughout the year with those paragraphs of the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee of the Company comprises four Independent Non-executive Directors, namely Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitlam. The Audit Committee has reviewed, discussed and approved the Company’s audited consolidated financial statements for the year ended 31 March 2008.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE

The annual results announcement will be published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.freeman279.com in due course. The 2007/2008 Annual Report will be despatched to the shareholders and also be made available on the websites of the Stock Exchange and the Company in due course.

By the order of the Board
Yang Fan Shing, Andrew
Chairman

Hong Kong, 25 July 2008

As at the date of this announcement, the Executive Directors are Dr. Yang Fan Shing, Andrew, Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue, Mr. Lo Kan Sun and the Independent Non-executive Directors are Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitelam.