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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. RIGHTS ISSUE

**OF NOT LESS THAN 1,236,986,824 RIGHTS SHARES AND NOT MORE
THAN 1,564,736,824 RIGHTS SHARES
OF HK\$0.10 EACH AT HK\$0.12 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO EXISTING SHARES HELD
ON THE RECORD DATE**

**2. UNUSUAL PRICE AND VOLUME MOVEMENT
AND**

3. RESUMPTION OF TRADING

Financial Adviser



Underwriter of the Rights Issue



1. THE RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$148.43 million before expenses (assuming none of the Options is exercised and the Placing is not completed on or before the Record Date) and not more than approximately HK\$187.76 million before expenses (assuming all of the Options are exercised and the Placing is completed on or before the Record Date) by way of the Rights Issue of not less than 1,236,986,824 Rights Shares and not more than 1,564,736,824 Rights Shares at a price of HK\$0.12 per Rights Share. The Company plans to use the entire net proceeds from the Rights Issue for the Possible Acquisition and the development of the insurance and financial services businesses.

The Company will provisionally allot one Rights Share in nil-paid form for every two existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will not be available to the Excluded Shareholders. As at the date of this announcement, there are Options outstanding to subscribe for 1,500,000 Shares and the Placing has not been completed. Save for the Options, there were no outstanding options, warrants or securities convertible or exchangeable into Shares as at the date hereof.

Pursuant to the Underwriting Agreement, the Rights Shares (other than the Rights Shares to be allotted in respect of the Shares beneficially owned by the Relevant Shareholders) have been fully underwritten by the Underwriter. As at the date of this announcement, the Relevant Shareholders are together beneficially interested in 368,972,000 Shares, representing approximately 14.91% of the issued share capital of the Company. The Relevant Shareholders have irrevocably undertaken to the Company, inter alia, that they will not dispose of Shares beneficially held by them from the date of the undertaking till the Record Date or any interests therein; and they will accept or procure the acceptance of the Rights Shares provisionally allotted to them in respect of the Shares beneficially owned by them.

The last day for dealing in the Shares on a cum-rights basis is 17 April 2007. The Shares will be dealt in on an ex-rights basis from 18 April 2007. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date. In order for the owners of Shares to be registered as members on the Record Date, any transfers of the Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on 19 April 2007.

The Prospectus Documents containing full details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded Shareholders for information only.

The Rights Issue is conditional upon the fulfillment or waiver of the conditions set out under the paragraph headed "Conditions of the Rights Issue" below. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (see the paragraph headed "Termination of the Underwriting Agreement" below). If the Underwriting Agreement is terminated, or the conditions of the Rights Issue are not fulfilled or waived, the Rights Issue will not proceed.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived, and any dealings in the Rights Shares in their nil-paid form between 2 May 2007 to 9 May 2007 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

2. UNUSUAL PRICE AND VOLUME MOVEMENT

The Board has noted that the recent increases in price and trading volume of the Shares on 20 March 2007, the Last Trading Day. The Board wishes to announce that there are preliminary negotiations with independent third parties who are not connected person of the Company ("connected person" as defined in the Listing Rules), relating to the Possible Acquisition of companies engaging in the insurance business, which may or may not be a notifiable transaction. As at the date of this announcement, the Company has not reached any agreement or possible terms and conditions in relation to the Possible Acquisition.

Save as disclosed above, the Board is not aware of any reason for the recent increases in price and trading volume of the shares of the Company nor any negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 which is or may be of a price sensitive nature.

Shareholders and the investors should exercise caution in dealing in the Shares as the Possible Acquisition and/or the Rights Issue may or may not proceed.

3. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:16 p.m. on 20 March 2007 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 26 March 2007.

1. THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: One Rights Share for every two Shares held on the Record Date
Number of Shares in issue	: 2,473,973,649 Shares as at the date of this announcement (or 3,129,473,649 Shares upon full exercise of all of the Options by their holders and completion of the Placing on or before the Record Date) (Note)
Number of Rights Shares	: Not less than 1,236,986,824 Rights Shares (assuming no Options are exercised and the Placing has not been completed on or before the Record Date) and not more than 1,564,736,824 Rights Shares (assuming all of the Options are exercised and the Placing is completed on or before the Record Date)
Subscription Price	: HK\$0.12 per Rights Share

Note:

As at the date of this announcement, there are Options to subscribe for an aggregate of 1,500,000 Shares outstanding and the Placing has not completed. Save for the Options, there were no outstanding options, warrants or securities convertible or exchangeable into Shares as at the date hereof. The convertible notes amounting to HK\$100 million issued pursuant to a placing agreement dated 20 November 2006 (details refer to the Company's announcement dated 22 November 2006) have been (i) redeemed by the Company amounting to HK\$45 million and (ii) converted into the Shares by conversion of HK\$55 million by certain holders. Hence, the Company has no outstanding convertible notes as at the date hereof.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent 50% of the Company's existing issued share capital as at the date of this announcement and approximately 33.3% of the Company's enlarged issued share capital of the Company immediately following the completion of the Rights Shares, assuming that none of the Options are exercised and the Placing is not completed on or before the completion of the Rights Issue.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will send copies of the Prospectus to Excluded Shareholders for their information only, but will not send any PAL and EAF to such Excluded Shareholders.

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, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 19 April 2007.

Holder(s) of the Option(s) who wishes to participate in the Rights Issue should exercise their Option(s) in accordance with and subject to their respective terms before 4:00 p.m. on 19 April 2007 so as to enable them to be registered as Shareholders on or before the Record Date.

Closure of register of members

The register of members of the Company will be closed from 20 April 2007 to 26 April 2007 (both dates inclusive). No transfers of Shares will be registered during this period.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.12 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares. The Subscription Price represents:

1. a discount of approximately 45.70% to the closing price of HK\$0.221 per Share as quoted on the Stock Exchange on the Last Trading Day;
2. a discount of approximately 23.57% to the average closing price of HK\$0.157 per Share for the five consecutive trading days up to and including the Last Trading Day;
3. a discount of approximately 14.89% to the average closing price of HK\$0.141 per Share for the ten consecutive trading days up to and including the Last Trading Day; and
4. a discount of approximately 35.83% to the theoretical ex-rights price of HK\$0.187 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the then market environment, prevailing Share prices, which the Directors consider are important for the Shareholders to assess before subscribing for the Rights Shares. In order to enhance the attractiveness of a rights issue, it is a common practice for listed issuers to issue rights shares at a discount to the market price (as evidenced in a majority of rights issues conducted in the past six months). Given the fact that the underwriting period of a rights issue is relatively long and after considering the aforesaid factors and the theoretical ex-rights price per Share (which takes into account the allotment ratio of the Rights Issue), the Directors consider that the proposed discount on the Subscription Price to the current market price of the Shares is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The Directors consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

One Rights Share for every two existing Shares. Application for all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before 21 May 2007 to those who have accepted and (where applicable) applied for, and paid for the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 21 May 2007 by ordinary post to the applicants at their own risk.

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 dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares.

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 Excluded 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 Excluded 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 and before dealings in nil-paid Rights Shares end, 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 Excluded Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

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.

Application for excess Rights Shares

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

Applications for excess Rights Shares can be made only by completing an EAF 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.

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 branch share registrar of the Company in Hong Kong for completion of the relevant registration by 4:00 p.m. on 19 April 2007.

The Latest Acceptance Time of Rights Shares is at 4:00 p.m. on 14 May 2007, or such later time or date as may be agreed between the Company and the Underwriter.

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.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms 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.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

- i. the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on or before the date on which the Prospectus is despatched and not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- ii. the delivery by or on behalf of the Company not later than the date on which the Prospectus is despatched of one copy of each of the Prospectus Documents together with any requisite accompanying documents to the Stock Exchange and the Registrar of Companies in Hong Kong for filing and registration;

- iii. the posting of the Prospectus Documents to the Qualifying Shareholders;
- iv. compliance with and performance of undertakings and obligations of the Company under the terms of the Underwriting Agreement; and
- v. the obligation of the Underwriter under the Underwriting Agreement not being terminated in accordance within its terms.

In the event that the conditions of the Rights Issue are not fulfilled (or, in respect of conditions (iv) and (v), waived in whole or in part by the Underwriter) on or before the dates specified therein (or such later date or dates as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate and save in respect of costs and expenses as referred to therein.

The Rights Issue will not proceed if the Underwriting Agreement is terminated.

2. UNDERWRITING AGREEMENT DATED 23 MARCH 2007

The Underwriter has agreed to fully underwrite not less than 1,052,500,824 Rights Shares and not more than 1,380,250,824 Rights Shares (being not less than 1,236,986,824 Rights Shares and not more than 1,564,736,824 Rights Shares less the 184,486,000 Rights Shares to be issued to and accepted by the Relevant Shareholders). The Underwriter is wholly-owned by Get Nice Incorporated, which in turn is wholly-owned by Get Nice Holdings Limited (stock code: 64), a listed company on the main board of the Stock Exchange. The Underwriter and its ultimate controlling shareholder do not have any shareholdings in the Company and are independent third parties not connected with the Company, the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or their respective associates.

Commission

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

Undertaking from the Relevant Shareholders

As at the date of this announcement, the Relevant Shareholders are interested in an aggregate of 368,972,000 Shares, representing approximately 14.91% of the total issued share capital of the Company.

The Relevant Shareholders have irrevocably undertaken to the Underwriter and the Company, inter alia, that they will not dispose of Shares beneficially held by them from the date of the undertaking till the Record Date or any interests therein; and they will accept or procure the acceptance of the Rights Shares provisionally allotted to them in respect of the Shares beneficially owned by them.

Termination of the Underwriting Agreement

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 the Latest Time for Termination if there occurs:—

- (i) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or

(ii) 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 hereof) 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

(iii) 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 the Latest Time for Termination:

(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 relevant clauses of 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 relevant clauses of 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.

If the Underwriting Agreement is terminated by the Underwriter before the Latest Time for Termination or does not become unconditional, the Underwriting Agreement will terminate forthwith (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.

3. WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES
The Shares will be dealt in on an ex-rights basis from 18 April 2007. Dealings in the Rights Shares in the nil-paid form will take place from 2 May 2007 to 9 May 2007 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (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 2 May 2007 to 9 May 2007 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

4. EXPECTED TIMETABLE

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

2007

Last day of dealings in Shares on a cum-rights basis	Tuesday, 17 April
First day of dealings in Shares on an ex-rights basis	Wednesday, 18 April
Latest time for lodging transfers of Shares in order to qualify for Rights Issue	4:00 p.m., Thursday, 19 April
Register of members closes	Friday, 20 April to Thursday 26 April (both dates inclusive)
Record Date	Thursday, 26 April
Despatch of Prospectus Documents	Friday, 27 April
Register of members re-opens	Friday, 27 April
First day of dealings in nil-paid Rights Shares	Wednesday, 2 May
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Friday, 4 May
Last day of dealings in nil-paid Rights Shares	Wednesday, 9 May
Latest time for payment for and acceptance of Rights Shares ...	4:00 p.m. on Monday, 14 May
Rights Issue becomes unconditional	after 4:00 p.m. on Wednesday, 16 May
Announcement of results of acceptance and excess applications of the Rights Issue	Friday, 18 May
Despatch of refund cheques for wholly and partially unsuccessful excess applications	Monday, 21 May
Despatch of certificates for fully-paid Rights Shares	Monday, 21 May
First day of dealings in fully-paid Rights Shares	Wednesday, 23 May

Dates or deadlines specified in this announcement for events in the timetable in relation to the Rights Issue refer to Hong Kong local time and are indicative only and may be varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be notified to Shareholders.

5. SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue, 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 save pursuant to the exercise of Options, completion of the Placing and the transactions contemplated under the Underwriting Agreement; and (ii) the Underwriter takes up the Rights Shares to the maximum extent:

Beneficial owners of Shares	As the date of this announcement		Immediately after completion of the Rights Issue and assuming no Qualifying Shareholders (except the Relevant Shareholders) take up the Rights Shares (assuming none of the Options are exercised and the Placing is not completed on or before completion of the Rights Issue)		Immediately after completion of the Rights Issue and assuming no Qualifying Shareholders (except the Relevant Shareholders) take up the Rights Shares (assuming all of the Options are exercised and the Placing is completed on or before the Record Date)	
	Shares	%	Shares	%	Shares	%
Directors and their associates (Note 1)	37,000,000	1.50	55,500,000	1.50	55,500,000	1.18
Parkson Group Limited (Note 2)	200,000,000	8.08	300,000,000	8.08	300,000,000	6.39
Radford Capital Investment Limited (Note 3)	131,972,000	5.33	197,958,000	5.33	197,958,000	4.22
Relevant Shareholders	368,972,000	14.91	553,458,000	14.91	553,458,000	11.79
The Underwriter	-	-	1,052,500,824	28.36	1,380,250,824	29.40
Public	2,105,001,649	85.09	2,105,001,649	56.73	2,760,501,649	58.81
Total	<u>2,473,973,649</u>	<u>100.00</u>	<u>3,710,960,473</u>	<u>100.00</u>	<u>4,694,210,473</u>	<u>100.00</u>

Note:

1. Mr. Yang Fan Shing, Andrew, being a Director, and his wife have personal interests in 20,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 15,000,000 Shares.
2. Mr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
3. The shares of Radford Capital Investment Limited (stock code: 901) are listed on the main board of the Stock Exchange.

6. 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 trading of securities, provision of finance, property holding, insurance business and investment holding.

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 Company intends to use the net proceeds for the Rights Issue, being estimated at approximately HK\$143.7 million if none of the Options is exercised and the Placing is not completed on or before the Record Date or approximately HK\$182.0 million if all of the Options are exercised and the Placing is completed on or before the Record Date, for the

Possible Acquisition and the development of insurance and financial services business. The net proceeds from the Rights Issue will be used to strengthen the Company's existing investments in financial services industry which include the trading of securities, provision of finance, insurance business and investment holding.

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.

7. FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
20 October 2006	placing of 66,000,000 new Shares under the placing agreement dated 18 October 2006	HK\$16.17 million	To be used for general working capital	HK\$3.38 million as deposit to acquire a property and HK\$12.79 million as general working capital
22 November 2006	placing of convertible notes with a principal amount of up to HK\$300 million (HK\$100 million a fully underwritten basis and HK\$200 million on a best effort basis)	HK\$52.2 million (HK\$100 million was issued and HK\$45 million have been redeemed)	To be used for strengthening and developing financial services arm of the Group which include the establishing of the new life insurance business of the Group	HK\$52.2 million as general working capital
21 February 2007	placing of 346,000,000 new Shares on a fully underwritten basis	HK\$33.8 million	To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong	HK\$33.8 million as general working capital
21 February 2007	Placing of 654,000,000 new Shares on a best effort basis	HK\$64.3 million	To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong	The transaction has not yet completed as at the date of this announcement

Save as disclosed above, the Company has not carried out any fund raising activities within the past 12 months prior to the date of this announcement.

8. UNUSUAL PRICE AND VOLUME MOVEMENT

The Board has noted that the recent increases in price and trading volume of the Shares on 20 March 2007, the Last Trading Day. The Board wishes to announce that there are preliminary negotiations with independent third parties who are not connected person of the Company (“connected person” as defined in the Listing Rules), relating to the Possible Acquisition of companies engaging in the insurance business, which may or may not be a notifiable transaction. As at the date of this announcement, the Company has not reached any agreement or possible terms and conditions in relation to the Possible Acquisition.

Save as disclosed above, the Board is not aware of any reason for the recent increases in price and trading volume of the shares of the Company nor any negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 which is or may be of a price sensitive nature.

Shareholders and the investors should exercise caution in dealing in the Shares as the Possible Acquisition and/or the Rights Issue may or may not proceed.

9. GENERAL

The Prospectus Documents containing full details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable. The Prospectus will be despatched to the Excluded Shareholders for information only.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:16 p.m. on 20 March 2007 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 26 March 2007.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday) on which banks in Hong Kong generally are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 279)
“Director(s)”	director(s) of the Company

“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	irrevocable undertakings have given by the Relevant Shareholders to the Underwriter and the Company, pursuant to which the Relevant Shareholders have undertaken, inter alia, to subscribe for or procure the subscription for the Rights Shares to be provisionally allotted to them or their nominee pursuant to the Rights Issue
“Last Trading Day”	20 March 2007, being the last trading day before the suspension of trading in the Shares prior to the release of this announcement
“Latest Acceptance Time”	4:00 p.m. on 14 May 2007 or such later time as may be agreed between the Company and the Underwriter, is the latest time for acceptance of the offer of Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the Latest Acceptance Time will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Latest Acceptance Time
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the share option(s) granted by the Company to subscribe for an aggregate of 1,500,000 Shares outstanding as at the date of this announcement pursuant to the share option scheme of the Company adopted on 23 August 2002

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Placing”	the placing of 654,000,000 new Shares pursuant to the terms of the placing agreement entered into between the Company and Kingston Securities Limited (the placing agent) on a best effort basis dated 16 February 2007
“Possible Acquisition”	the possible acquisition of companies engaging in the insurance business referred to in this announcement
“Prospectus”	a prospectus containing details of the Rights Shares to be issued in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	26 April 2007 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 to be determined
“Relevant Shareholders”	Certain beneficial owners of Shares (other than the Underwriter and the public) whose names are set out in column 1 of the table in the section headed “Shareholding in the Company” of this announcement
“Rights Issue”	the issue by way of rights of one Rights Share for every two existing Shares held on the Record Date at a price of HK\$0.12 per Rights Share
“Rights Share(s)”	new Share(s) to be issued and allotted under the Rights Issue, being not less than 1,236,986,824 Rights Shares and not more than 1,564,736,824 Rights Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	the subscription price of HK\$0.12 per Rights Share
“Underwriter”	Get Nice Investment 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 23 March 2007 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board of
Freeman Corporation Limited
Kwong Wai Tim, William
Managing Director

Hong Kong, 23 March 2007

As at the date of this announcement, the executive Directors are Mr. Yang Fan Shing, Andrew, Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue 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.

Please also refer to the published version of this announcement in South China Morning Post, The Standard , Hong Kong Economic Times and Oriental Daily.