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FREEMAN CORPORATION LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 279)

- (1) PROPOSED CAPITAL REORGANISATION;
(2) TERMINATION OF THE PLACING AGREEMENT;
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FIVE RIGHTS SHARES FOR EVERY ADJUSTED SHARE HELD;
AND
(4) RESUMPTION OF TRADING**

Financial Adviser



Underwriter of the Rights Issue



PROPOSED CAPITAL REORGANISATION

The Company proposes to effect the Capital Reorganisation which will comprise (i) the reduction in nominal value of the Shares from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each Share; (ii) the application of the credit arising from the reduction to cancel the accumulated deficit of the Company with the balance to be transferred to the distributable capital reduction reserve account of the Company; and (iii) the consolidation of every 10 Reduced Shares of HK\$0.01 in the capital of the Company into one Adjusted Share.

The Capital Reorganisation is conditional upon, inter alia, the approval of the Capital Reorganisation by Shareholders at the EGM and approval of the Adjustment Proposal by the Court.

TERMINATION OF THE PLACING AGREEMENT

The Board announces that the Placing Agreement in relation to the placing of the convertible notes up to an aggregate principal amount of HK\$1,500 million was terminated on 3 December 2007 pursuant to the Termination Deed.

PROPOSED RIGHTS ISSUE

Subject to the Capital Reorganisation becoming effective, the Company proposes to raise approximately HK\$488.65 million before expenses (assuming no Options are exercised and no conversion of the Convertible Notes and the Issue Mandate is not utilised on or before the Record Date) to approximately HK\$626.79 million before expenses (assuming all of the Options are exercised, full conversion of the Convertible Notes and full utilization of the Issue Mandate on or before the Record Date) by way of the Rights Issue of issuing not less than 4,072,156,235 Rights Shares and not more than 5,223,254,145 Rights Shares at a price of HK\$0.12 per Rights Share payable in full on acceptance.

The Company will provisionally allot five Rights Shares in nil-paid form for every Adjusted Share held by the Qualifying Shareholders 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\$474.3 million (assuming no Options are exercised, no conversion of the Convertible Notes and the Issue Mandate is not utilised on or before the Record Date) to HK\$609.0 million (assuming all of the Options are exercised, full conversion of the Convertible Notes and full utilization of the Issue Mandate on or before the Record Date). The Company plans to apply the entire net proceeds of between approximately HK\$474.3 million to HK\$609.0 million as the funding for the expansion of the Group's current businesses including the insurance business and related financial services business.

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed "Conditions of the Rights Issue". In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective and 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 Adjusted 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 proposed 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, out of the four executive Directors, only Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming held Shares as referred to in Note 1 of the section headed "Shareholding in the Company" of this announcement. The Directors, Dr. Yang Fan Shing, Andrew and his associates (including, his wife and Parkson Group Limited), Ms. Kwok Wai Ming, Ms. Au Shuk Yee, Sue, Mr. Kwong Wai Tim, William and their respective associates to the extent they hold any Shares, 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 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 Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details about the Capital Reorganisation and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the 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 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 and the Capital Reorganisation becoming effective, 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 3 December 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 5 December 2007.

PROPOSED CAPITAL REORGANISATION

It is proposed that:

- (i) the nominal value of all the issued Shares be reduced from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each issued Shares by way of a reduction of capital;
- (ii) the part of the credit arising from such reduction will be applied towards canceling the accumulated deficit of the Company with the balance to be transferred to the distributable capital reduction reserve account of the Company; and
- (iii) every 10 Reduced Shares of HK\$0.01 each be consolidated into 1 Adjusted Share of HK\$0.10 each.

Effects of the Capital Reorganisation

Assuming that no further Shares are issued prior to the EGM, the issued share capital of the Company will be reduced from HK\$814,431,247.30 to HK\$81,443,124.73 by cancelling HK\$0.09 paid up on each issued Share. A credit of approximately HK\$732,988,122.57 will arise as a result of the Adjustment Proposal. The credit will be used to cancel the accumulated deficit of the Company with the balance to be transferred to the distributable capital reduction reserve account of the Company. The accumulated losses of the Company was approximately HK\$417.9 million as shown in the audited financial statements of the Company for the year ended 31 March 2007.

The existing authorised share capital is HK\$5,000,000,000 divided into 50,000,000,000 Shares. The existing issued share capital is HK\$814,431,247.30 divided into 8,144,312,473 Shares. Subject to the approval by the Shareholders of the Adjustment Proposal, the authorised share capital of the Company upon the Capital Reorganisation becoming effective will be HK\$5,000,000,000 comprising 50,000,000,000 Adjusted Shares, of which 814,431,247 Adjusted Shares will be in issue (not taking into account the Shares that may be issued pursuant to the exercise of the options granted under the Share Option Scheme, the Convertible Notes and the Issue Mandate.) Fractional Adjusted Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefits of the Company.

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save that any fractional Adjusted Shares (if any), will not be issued to the Shareholders. The Directors believe that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

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.

Reasons for the Capital Reorganisation

The Adjustment Proposal will bring forward the time the Company would be in a position to declare and pay dividends.

Since 15 November 2007, the Shares have been trading at prices below their nominal value of HK\$0.10 each. The proposed Capital Reorganisation will reduce the total number of Shares currently in issue and is also required for the compliance with Rule 13.64 of the Listing Rules. As such, it 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. Accordingly, the Board is of the view that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

Conditions of the Capital Reorganisation

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

- (i) the passing of a special resolution to approve the Capital Reorganisation by Shareholders at the EGM;
- (ii) approval of the Adjustment Proposal to the extent required 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.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares.

Expected effective date of the Capital Reorganisation

Subject to the above conditions being fulfilled, the Capital Reorganisation is expected to become effective on 10 June 2008.

Trading Arrangement

The Shares are currently traded in board lots of 4,000 Shares each and the market value per board lot of the Shares is HK\$280, based on the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on the Last Trading Day. Assuming the Capital Reorganization becomes effective, the Adjusted Shares will be traded in board lots of 4,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$2,800, based on the closing price of HK\$0.7 per Adjusted Share (based on the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation).

Subject to the Capital Reorganisation, the Shareholders may, during a period to be specified in the section headed "Expected timetable" in this announcement, submit certificates for the Shares to the Company's share registrar for exchange, at the expense of the Company, for certificates for the Adjusted Shares. Thereafter, certificates for the 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 certificate issued or cancelled, whichever is higher. Certificates for the 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 order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has agreed to procure an arrangement with an agent to stand in the market to provide matching services for the odd lots of Adjusted Shares on the best effort basis. Further details in respect of the odd lots arrangement and the new share certificates will be set out in the Circular.

TERMINATION OF THE PLACING AGREEMENT

The Company has entered into the Placing Agreement with a placing agent in respect of the Underwritten Placing and the Best Effort Placing. Details of the Placing Agreement were set out in the announcements of the Company dated 11 July 2007 and 21 August 2007 respectively.

As announced by the Company on 1 November 2007, the Underwritten Placing was completed on 12 October 2007 pursuant to which convertible notes of the Company in the aggregate principal amount of HK\$250 million were placed to the places.

The Board announces that the Placing Agreement was terminated on 3 December 2007 pursuant to the Termination Deed. Under the Placing Agreement, the placing of the convertible notes in an aggregate principal amount of up to HK\$1,250 million on a best effort basis has not yet been effected. The Termination Deed was arrived at after arm's length negotiation between the Company and the placing agent and after the Company having taking into account, among other things, (i) the current market conditions and current market price of the Shares including but not limited to the drop in the trading prices of the Shares below the exercise price of the Convertible Notes; (ii) the availability of various investment opportunities to the investors in the market; and (iii) the alternative means of fund raising from the Rights Issue.

The Board considers that the termination of the Placing Agreement will not affect the current business and operation of the Company and will not have adverse effect on the working capital of the Group.

PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after the Capital Reorganisation becoming effective.

Issue statistics

Basis of the Rights Issue	:	five Rights Shares for every Adjusted Share held on the Record Date
Number of Shares in issue	:	8,144,312,473 Shares as at the date of this announcement
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective	:	814,431,247 Adjusted Shares (assuming no Options are exercised, no conversion of the outstanding Convertible Notes and the Issue Mandate is not utilised on or before the Record Date) or 1,044,650,829 Adjusted Shares (assuming all of the Options are exercised, full conversion of the outstanding Convertible Notes and full utilization of the Issue Mandate on or before the Record Date) (<i>Note</i>)

Number of Rights Shares : not less than 4,072,156,235 Rights Shares (assuming no Options are exercised, no conversion of the outstanding Convertible Notes and the Issue Mandate is not utilised on or before the Record Date) and not more than 5,223,254,145 Rights Shares (assuming all of the Options are exercised, full conversion of the outstanding Convertible Notes, full utilization of the Issue Mandate on or before the Record Date) (*Note*)

Subscription price per Rights Share : HK\$0.12 per Rights Share with nominal value of HK\$0.10 each

Note:

As at the date of this announcement, (i) there are Options to subscribe for an aggregate of 540,000,000 Shares outstanding; and (ii) there are outstanding Convertible Notes with principal amount of HK\$55 million which are convertible into 458,333,333 Shares in aggregate at a conversion price of HK\$0.120 per Share (subject to adjustment); and (iii) the Issue Mandate, which authorises the Directors to issue and allot up to 1,303,862,494 Shares, has not been utilised. Assuming all of the Options are exercised, full conversion of the outstanding Convertible Notes and full utilisation of the Issue Mandate on or before the Record Date, a total of 2,302,195,827 new Shares (equivalent to 230,219,582 Adjusted Shares) may fall to be issued and hence an additional 1,151,097,910 Rights Shares would be issued, in which the maximum number of Rights Shares that may be issued by the Company will become 5,223,254,145.

Save for the above outstanding Options and Convertible Notes, 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 and no conversion of the Convertible Notes and of the Issue Mandate is not utilised on or before the Record Date, the 4,072,156,235 nil-paid Rights Shares proposed to be provisionally allotted represent (a) 5 times of the Company's issued share capital upon completion of the Capital Reorganisation; and (b) approximately 83.33% of the Company's issued share capital upon completion of the Capital Reorganisation and 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 Adjusted Shares must lodge any transfers of Adjusted 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 26 June 2008.

Closure of register of members

The register of members of the Company will be closed from 27 June 2008, to 2 July 2008, both dates inclusive. No transfers of Adjusted 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\$0.12 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 82.86% to the adjusted closing price of HK\$0.7 per Adjusted Share (based on the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (b) a discount of about 44.62% to the theoretical ex-rights price of approximately HK\$0.2167 per Adjusted Share (based on the closing price of HK\$0.07 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (c) a discount of about 83.61% to the average adjusted closing price of approximately HK\$0.732 per Adjusted Share (based on the average closing price of HK\$0.0732 per Share for the five trading days ended on the Last Trading Day and adjusted for the effect of the Share Consolidation).

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.

Basis of provisional allotment

The basis of the provisional allotment shall be five Rights Shares for every Adjusted Share, being not less than 4,072,156,235 Rights Shares and not more than 5,223,254,145 Rights Shares at a price of HK\$0.12 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 Adjusted 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 forms 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 26 June 2008.

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 25 July 2008. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 25 July 2008 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 4,000, 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.

Conditions of the Rights Issue

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

1. the approval of the Capital Reorganisation and the Rights Issue by Shareholders at the EGM;
2. Capital Reorganisation becoming effective;
3. the Listing Committee of the Stock Exchange agreeing to grant the 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) by no later than the date of posting of the Prospectus Documents and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the second Business Day after the Acceptance Date;
4. the delivery to the Stock Exchange and filing and registration of all documents relating to the Rights Issue required by law to be filed, with the Registrar of Companies in Hong Kong and the Registrar of Companies in Cayman Islands respectively; and
5. the compliance by the Company with all its obligations under the Underwriting Agreement and the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms.

In the event that the conditions of the Rights Issue are not fulfilled on or before the respective dates determined in the Underwriting Agreement (or such later date as the Company and the Underwriter may agree), none of the Underwriter or the Company shall have any rights or be subject to any obligations arising from the Underwriting Agreement. The Rights Issue will not proceed accordingly.

Underwriting arrangements

Underwriting agreement dated 3 December 2007 (as amended by a supplemental agreement dated 4 December 2007)

The Underwriter has agreed to fully underwrite not less than 4,072,156,235 Rights Shares and not more than 5,223,254,145 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).

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.

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 second Business Day following the Acceptance Date 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 4:00 p.m. on the second Business Day following the Acceptance Date:

- (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 4:00 p.m. on the second Business Day following the Acceptance Date 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.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Adjusted Shares will be dealt in on an ex-rights basis from 25 June 2008. Dealings in the Rights Shares in the nil-paid form will take place from 8 July 2008 to 15 July 2008 (both dates inclusive). If the conditions of the Rights Issue 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 8 July 2008 to 15 July 2008 (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 or the Adjusted 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 8 July 2008 to 15 July 2008 (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 Capital Reorganisation and the Rights Issue is set out below:

2008

Despatch of Circular and proxy form of EGM Wednesday, 9 January

Latest time for return of proxy form of EGM
(not less than 48 hours) 9:00 a.m., Wednesday, 30 January

Expected date and time of EGM 9:00 a.m., Friday, 1 February

Announcement of results of EGM Friday, 1 February

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

Effective date of the Capital Reorganisation Tuesday, 10 June

Commencement of dealings in Adjusted Shares Tuesday, 10 June

Original counter for trading in Shares
(in board lots of 4,000 Shares) to be closed 9:30 a.m., Tuesday, 10 June

Temporary counter for trading in Adjusted Shares in
board lots of 400 Adjusted Shares
(in form of existing share certificates) to be opened 9:30 a.m., Tuesday, 10 June

Free exchange of existing share certificates for new share
certificates for the Adjusted Shares commences Tuesday, 10 June

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of Adjusted Shares 9:30 a.m., Tuesday, 24 June

Original counter for trading in Adjusted Shares
(in board lots of 4,000 Adjusted Shares) to be re-opened 9:30 a.m., Tuesday, 24 June

Parallel trading in Adjusted Shares
(in form of new and existing certificate) begins. 9:30 a.m., Tuesday, 24 June

Last day of dealings in Adjusted Shares on a cum-rights basis. Tuesday, 24 June

First day of dealings in Adjusted Shares on an ex-rights basis Wednesday, 25 June

Latest time for lodging transfers of Adjusted Shares in
order to qualify for Rights Issue 4:30 p.m., Thursday, 26 June

Register of members to be closed Friday, 27 June to Wednesday, 2 July
(both dates inclusive)

Record Date Wednesday, 2 July

Register of members to be re-opened. Thursday, 3 July

Prospectus Documents to be posted. Thursday, 3 July

First day of dealings in nil-paid Rights Shares Tuesday, 8 July

Latest time for splitting of nil-paid Rights Shares. 4:30 p.m., Thursday, 10 July

Last day of dealings in nil-paid Rights Share Tuesday, 15 July

Temporary counter for trading in Adjusted Shares in
board lots of 400 Adjusted Shares
(in form of existing share certificates) to be closed. 4:00 p.m., Wednesday, 16 July

Parallel trading in Adjusted Shares
(in form of new and existing certificate) ends 4:00 p.m., Wednesday, 16 July

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., Wednesday, 16 July

Free exchange of existing share certificates for
new share certificates ends. 4:00 p.m., Friday, 18 July

Latest time for payment for and acceptance of Rights Shares. 4:00 p.m., Friday, 18 July

Rights Issue expected to become unconditional. after 4:00 p.m., Tuesday, 22 July

Announcement of results of acceptance and excess
application of the Rights Issue. Thursday, 24 July

Despatch of refund cheques for wholly and partially
unsuccessful excess applicationsFriday, 25 July

Despatch of certificates for fully-paid Rights Shares.Friday, 25 July

First day of dealings in the fully-paid Rights Shares. Tuesday, 29 July

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

Set out below is the shareholding structure of the Company 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, the Convertible Notes, utilization of the Issue Mandate and the transactions contemplated under the Underwriting Agreement; and (ii) no Rights Shares are taken up by the Qualifying Shareholders and the Underwriter takes up the Rights Shares to the maximum extent:

Scenario 1:

Assuming there is no Options exercised, no conversion of the Convertible Notes and the Issue Mandate is not utilized on or before the Record Date

Shareholders	As at the date of this announcement		Immediately after the Capital Reorganisation but before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>
Directors and their associates (<i>Note 1</i>)	70,900,000	0.87	7,090,000	0.87	7,090,000	0.15
Parkson Group Limited (<i>Note 2</i>)	396,000,000	4.86	39,600,000	4.86	39,600,000	0.81
Willie International Holdings Limited (<i>Note 3</i>)	520,618,000	6.39	52,061,800	6.39	52,061,800	1.07
Heritage International Holdings Limited (<i>Note 4</i>)	408,700,000	5.02	40,870,000	5.02	40,870,000	0.84
Holders of Options	–	0.00	–	0.00	–	0.00
Holders of Convertible Notes	–	0.00	–	0.00	–	0.00
Shares to be issued and allotted pursuant to unutilised Issue Mandate	–	0.00	–	0.00	–	0.00
The Underwriter	–	0.00	–	0.00	4,072,156,235	83.33
Public	<u>6,748,094,473</u>	<u>82.86</u>	<u>674,809,447</u>	<u>82.86</u>	<u>674,809,447</u>	<u>13.80</u>
	<u><u>8,144,312,473</u></u>	<u><u>100.00</u></u>	<u><u>814,431,247</u></u>	<u><u>100.00</u></u>	<u><u>4,886,587,482</u></u>	<u><u>100.00</u></u>

Scenario 2:

Assuming all of the Options are exercised, full conversion of the Convertible Notes and full utilization of the Issue Mandate on or before the Record Date

Shareholders	As at the date of this announcement		Immediately after the Capital Reorganisation but before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>	<i>Number of Adjusted Shares</i>	<i>%</i>
Directors and their associates (<i>Note 1</i>)	70,900,000	0.87	7,090,000	0.68	7,090,000	0.11
Parkson Group Limited (<i>Note 2</i>)	396,000,000	4.86	39,600,000	3.79	39,600,000	0.63
Willie International Holdings Limited (<i>Note 3</i>)	520,618,000	6.39	52,061,800	4.98	52,061,800	0.83
Heritage International Holdings Limited (<i>Note 4</i>)	408,700,000	5.02	40,870,000	3.91	40,870,000	0.65
Holders of Options	–	0.00	45,833,333	4.39	45,833,333	0.73
Holders of Convertible Notes	–	0.00	54,000,000	5.17	54,000,000	0.86
Shares to be issued and allotted pursuant to unutilised Issue Mandate	–	0.00	130,386,249	12.48	130,386,249	2.08
The Underwriter	–	0.00	–	0.00	5,223,254,145	83.34
Public	<u>6,748,094,473</u>	<u>82.86</u>	<u>674,809,447</u>	<u>64.60</u>	<u>674,809,447</u>	<u>10.77</u>
	<u><u>8,144,312,473</u></u>	<u><u>100.00</u></u>	<u><u>1,044,650,829</u></u>	<u><u>100.00</u></u>	<u><u>6,267,904,974</u></u>	<u><u>100.00</u></u>

Notes:

1. Dr. Yang Fan Shing, Andrew, being a Director, and his wife Ms. Liu Lai Shim, Regina have personal interests in 30,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 38,900,000 Shares.
2. Dr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
3. The shares of Willie International Holdings Limited (stock code: 273) are listed on the main board of the Stock Exchange.
4. The shares of Heritage International Holdings Limited (stock code: 412) are listed on the main board of the Stock Exchange.

The Underwriter has sub-underwritten its underwriting obligations under the Rights Issue to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective parties acting in concert as defined in the Hong Kong Code on Takeovers and Mergers) will not own 30% or more of the issued share capital of the Company after completion of the Rights Issue. Each of the Underwriter and the sub-underwriters (and their respective ultimate beneficial owners) is not a party acting in concert with each other or with any Shareholders. Each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners do not have any shareholding in the Company and are not connected persons (as defined in the Listing Rules) of the Company.

As stipulated in the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters mentioned above is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations, (i) the Underwriter will not and shall procure that the sub-underwriters will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue; and (ii) 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.

Reasons for the Rights Issue and use of proceeds

The principal activity of the Company 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 entire net proceeds for the Rights Issue, being estimated at approximately HK\$474.3 million (assuming no Options are exercised and no conversion of the Convertible Notes and nil utilization of the Issue Mandate on or before the Record Date) or approximately HK\$609.0 million (assuming all of the Options are exercised, full conversion of the Convertible Notes and full utilization of the Issue Mandate on or before the Record Date) as the funding for the expansion of the Group's current businesses including the insurance business and related financial services business. As at the date of this announcement, other than the application for the long term life insurance business, no specific project has been identified by the Company.

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 During the Past 12 Months

The Company had conducted the following fund raising exercises in the past 12 months from the date of this announcement.

Date of agreement	Transaction	Net proceeds raised/ to be raised	Intended use of proceeds	Actual use of proceeds
20 November 2006	placing of convertible notes with a principal amount of up to HK\$300 million (<i>Note 1</i>)	HK\$52.2 million (<i>Note 1</i>)	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 placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing
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 placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing
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	HK\$10 million has been injected into the wholly-owned subsidiary which was established for conducting long term life insurance business in Hong Kong and the remaining balance of HK\$54.3 million placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing

Date of agreement	Transaction	Net proceeds raised/ to be raised	Intended use of proceeds	Actual use of proceeds
23 March 2007	rights issue of not less than 1,236,986,824 rights shares and not more than 1,564,736,824 rights shares on the basis of one rights share for every two existing Shares	HK\$182.0 million	To be used for the possible acquisition of companies engaging in the insurance business and the development of insurance and financial services business, and to strengthen the Company's existing investments in financial service industry which include the trading of securities, provision of finance, insurance business and investment holding	HK\$182.0 million placed into the general working capital pool of the Company which includes the securities held for trading and short term loans lent under the Company's provision of finance business. Such amount may also be applied to the expansion of the Company's businesses and investments as intended, if necessary
21 May 2007	placing of 494,000,000 new Shares under the placing agreement dated 21 May 2007	HK\$62.18 million	To be used as part of the HK\$300 million funding expected to be capitalized for the Group's financial services businesses including the insurance agency, life insurance, corporate finance advisory, proprietary trading, underwriting and financial related business	HK\$62.18 million placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing
29 June 2007	placing of 1,086,552,000 new shares under placing agreement dated 29 June 2007	HK\$193.0 million	To be used as the funding for the Group's financial services businesses including the insurance agency and life insurance businesses	HK\$193.0 million placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing
11 July 2007 (as amended by a supplemental agreement dated 20 August 2007)	The Underwritten Placing and the Best Effort Placing (Note 2)	HK\$242.5 million (Note 2)	To be used wholly for the expansion of Group's current business including the insurance business and related financial service business	HK\$242.5 million placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing

Notes

1. Pursuant to a conditional convertible notes placing agreement dated 20 November 2006 entered into between the Company and a placing agent in relation to the placing of convertible notes with principal amount of HK\$300 million, convertible notes of HK\$100 million have been placed on a fully underwritten basis. Convertible notes of up to HK\$200 million to be placed on a best effort basis was not proceeded as a result of the termination of this placing agreement on 16 February 2007 as announced by the Company on 21 February 2007. The convertible notes amounting to HK\$100 million 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 of the convertible notes.
2. As announced by the Company on 11 July 2007, the aggregate net proceeds from the Underwritten Placing and the Best Effort Placing was approximately HK\$1,460 million. Pursuant to the completion of the Underwritten Placing on 12 October 2007, a net proceed of approximately HK\$242.5 million was received by the Company. The Placing Agreement was terminated on 3 December 2007 pursuant to the Termination Deed. Details can be referred to the section headed “Termination of the Placing Agreement” of this announcement.

Adjustments in relation to the Options and the Convertible Notes

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

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. As at the date of this announcement, out of the four executive Directors, only Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming held Shares as referred to in Note 1 of the section headed “Shareholding in the Company” of this announcement. The Directors, Dr. Yang Fan Shing, Andrew and his associates (including, his wife and Parkson Group Limited), Ms. Kwok Wai Ming, Ms. Au Shuk Yee, Sue, Mr. Kwong Wai Tim, William and their respective associates to the extent they hold any Shares, 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 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 Shareholders in this regard.

A circular containing, among other things, (i) further details about the Capital Reorganisation and the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the 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 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 and the Capital Reorganisation becoming effective, 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 3 December 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 5 December 2007.

DEFINITIONS

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

“Acceptance Date”	18 July 2008 (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)
“Adjustment Proposal”	the proposal to be put forward to Shareholders for (i) the reduction in nominal value of the Shares from HK\$0.10 each to HK\$0.01 each by cancelling HK\$0.09 paid up on each Share and (ii) the application of the credit arising from the reduction to cancel the accumulated deficit of the Company and as described the section headed “Proposed Capital Reorganisation” in this announcement
“Adjusted Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company immediately after the Capital Reorganisation becoming effective
“associate”	has the meaning ascribed thereto under the Listing Rules
“Best Effort Placing”	the placing of convertible notes of the Company in the aggregate principal amount of HK\$1,250 million by a placing agent on a best effort basis pursuant to the Placing Agreement

“Board”	the board of Directors
“Business Day”	a full day (other than a Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Capital Reorganisation”	the Adjustment Proposal and the Share Consolidation
“Circular”	the circular to be dispatched to the Shareholders in relation to the Capital Reorganisation and 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
“Convertible Notes”	the convertible notes issued by the Company pursuant to the Placing Agreement at the conversion price of HK\$0.120 per Share (subject to adjustment) with an outstanding principal amount of HK\$55 million as at the date of this announcement
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Capital Reorganisation and the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company held on 24 September 2007
“Last Trading Day”	30 November 2007, 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 Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient 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
“Option(s)”	the share option(s) granted by the Company to subscribe for an aggregate of 540,000,000 Shares outstanding as at the date of this announcement pursuant to the Share Option Scheme
“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 Agreement”	the placing agreement dated 11 July 2007 (as amended by a supplemental agreement dated 20 August 2007) between the Company and a placing agent to place convertible notes in the aggregate amount of HK\$1,500 million, comprising the Underwritten Placing and the Best Effort Placing, at the conversion price of HK\$0.120 per Share (subject to adjustment)
“PRC”	The People’s Republic of China
“Prospectus”	a prospectus to be issued containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), 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”	2 July 2008 being the date by reference to which entitlements to the Rights Issue are expected to be determined

“Reduced Shares”	ordinary shares of HK\$0.01 each in the capital of the Company upon completion of the Adjustment Proposal
“Rights Issue”	the issue by way of rights of five Rights Shares for every one Adjusted Share in issue on the Record Date at a price of HK\$0.12 per Rights Share
“Rights Share(s)”	new Adjusted Share(s) to be issued and allotted under the Rights Issue, being not less than 4,072,156,235 Adjusted Shares and not more than 5,223,254,145 Adjusted Shares
“Settlement Date”	the date being the second Business Day following the Acceptance Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing share(s) of HK\$0.10 each in the share capital of the Company
“Share Consolidation”	the consolidation of every 10 Reduced Shares of HK\$0.01 in the capital of the Company into one Adjusted Share
“Shareholder(s)”	holder(s) of Share(s), Reduced Share(s) or Adjusted Share(s) (as the case may be)
“Share Option Scheme”	the share option scheme of the Company adopted on 23 August 2002
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Termination Deed”	the Termination Deed between the Company and Chung Nam Securities Limited dated 3 December 2007 in relation to the termination of the Placing Agreement
“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 3 December 2007 (as amended by a supplemental agreement dated 4 December 2007) entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue

“Underwritten Placing”	the placing of convertible notes of the Company in the aggregate principal amount of HK\$250 million by a placing agent on an underwritten basis pursuant to the Placing Agreement
“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
Kwong Wai Tim, William
Managing Director

Hong Kong, 4 December 2007

As at the date of this announcement, the Board comprises Dr. Yang Fan Shing, Andrew (Chairman), Mr. Kwong Wai Tim, William (Managing Director), Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue as executive Directors and Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitelam as independent non-executive Directors.