
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Freeman Corporation Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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FREEMAN CORPORATION LIMITED

民豐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 279)

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

A notice convening an EGM of Freeman Corporation Limited to be held at Function Room III, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on 17th September, 2008 at 9:00 a.m. is set out on pages 10 to 12 of this circular. Whether or not you are able to attend the EGM, you should complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should you so wish.

25th August, 2008

EXPECTED TIMETABLE

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

Latest time for return of proxy form of EGM

(not less than 48 hours) 9:00 a.m. Monday, 15 September 2008

EGM 9:00 a.m. Wednesday, 17 September 2008

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

Announcement of expected effective date

of the Capital Reorganisation before Tuesday, 2 December 2008

Effective date of the Capital Reorganisation after 4:10 p.m. Wednesday,
10 December 2008

Commencement of dealings in Adjusted Shares Thursday, 11 December 2008

Original counter for trading in Existing Shares

(in board lots of 4,000 Existing Shares) to be closed 9:30 a.m. Thursday,
11 December 2008

Temporary counter for trading in Adjusted Shares

in board lots of 800 Adjusted Shares

(in form of existing share certificates) to be opened 9:30 a.m. Thursday,
11 December 2008

Free exchange of existing share certificates

for new share certificates

for the Adjusted Shares commences Thursday, 11 December 2008

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., Monday,
29 December 2008

EXPECTED TIMETABLE

Original counter for trading in Adjusted Shares

(in board lots of 10,000 Adjusted Shares)

to be re-opened 9:30 a.m., Monday,
29 December 2008

Parallel trading in Adjusted Shares

(in form of new and existing certificate) begins 9:30 a.m., Monday,
29 December 2008

Temporary counter for trading in Adjusted Shares

in board lots of 800 Adjusted Shares

(in form of existing share certificates) to be closed 4:10 p.m., Monday,
19 January 2009

Parallel trading in Adjusted Shares

(in form of new and existing certificate) ends 4:10 p.m., Monday,
19 January 2009

Designated broker ceases to stand in the market

to provide matching services for the sale and

purchase of odd lots of Adjusted Shares 4:10 p.m., Monday,
19 January 2009

Last day of free exchange of existing share certificates

for new share certificates Wednesday,
21 January 2009

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

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Adjusted Shares”	shares of HK\$0.10 each in the capital of the Company upon the Capital Reorganisation becoming effective
“Adjustment Proposal”	the proposal to be put forward to Shareholders for the reduction in nominal value of the Existing Shares by way of a reduction in capital and the application of the credit arising from the capital reduction as described in the section headed “Proposed Capital Reorganisation” in the Letter from the Board in this circular
“Announcement”	the announcement by the Company dated 12th August, 2008 in relation to the Capital Reorganisation and Change in Board Lot Size
“Capital Reorganisation”	the Adjustment Proposal and the Share Consolidation as described in the section headed “Proposed Capital Reorganisation” in the Letter from the Board in this circular
“Change in Board Lot Size”	the proposed change in board lot size of the Existing Shares for trading on the Stock Exchange from 4,000 Existing shares to 10,000 Adjusted Shares
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong Limited
“Court”	the Grand Court of the Cayman Islands
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held on Wednesday, 17th September, 2008 at Function Room III, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 9:00 a.m. to consider and if thought fit approve the Capital Reorganisation

DEFINITIONS

“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	18th August, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“May Capital Reorganisation”	the capital reorganisation effected by the Company as referred to in the Company’s announcements dated 4th December, 2007, 1st April, 2008 and 13th May, 2008 and circular dated 9th January, 2008
“Reduced Share(s)”	ordinary share(s) of HK\$0.02 each in the capital of the Company in issue upon completion of the Adjustment Proposal
“Share Consolidation”	the proposed consolidation of every five Reduced Shares of HK\$0.02 each into one Adjusted Share of HK\$0.10 each
“Share Option Scheme”	share option scheme of the Company adopted on 23rd August, 2002
“Shareholder(s)”	holder(s) of the Existing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



FREEMAN CORPORATION LIMITED

民豐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 279)

Executive Directors:

Dr. Yang Fan Shing, Andrew (*Chairman*)
Mr. Kwong Wai Tim, William (*Managing Director*)
Ms. Kwok Wai Ming
Ms. Au Shuk Yee, Sue
Mr. Lo Kan Sun (*Chief Operating Officer*)

Registered office:

The offices of Codan Trust Company
(Cayman) Limited at
Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Independent Non-executive Directors:

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

Principal office of business

in Hong Kong:
8th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

25th August, 2008

To the Shareholders

Dear Sir/Madam,

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

INTRODUCTION

It was stated in the Announcement dated 12th August, 2008 that the Company proposes to put forward to its Shareholders the Capital Reorganisation proposal. The Company also proposes to change its board lot size.

LETTER FROM THE BOARD

The purpose of this circular is to give you further information on the Capital Reorganisation and Change in Board Lot Size and to give notice to Shareholders of the EGM at which resolution will be proposed to consider and, if thought fit, approve the proposed Capital Reorganisation.

PROPOSED CAPITAL REORGANISATION

It is proposed that:–

- (i) the nominal value of all the issued Existing Shares be reduced from HK\$0.10 each to HK\$0.02 each by cancelling HK\$0.08 paid up on each issued Existing Share by way of a reduction of capital;
- (ii) every five issued Reduced Shares of HK\$0.02 each be consolidated into one Adjusted Share of HK\$0.10; and
- (iii) the credit arising from such reduction will be applied towards cancelling the accumulated deficit of the Company with the balance to be transferred to the distributable capital reduction reserve account of the Company.

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

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

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

Save for options to subscribe for 48,044,500 Existing Shares which are outstanding under the Share Option Scheme, there are no warrants or other securities convertible into or giving rights to subscribe for the Existing Shares.

LETTER FROM THE BOARD

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

The share capital of the Company consists of 4,886,587,482 Existing Shares in issue and the aggregate nominal value of the issued share capital of the Company is approximately HK\$488.7 million. On the basis of 4,886,587,482 Existing Shares in issue as at the Latest Practicable Date (assuming no Existing Shares are issued from the date hereof until the effective date of the Capital Reorganisation), a total credit of approximately HK\$390.9 million will arise in the books of the Company as a result of the Adjustment Proposal which will be applied as mentioned in the following paragraph.

After the Capital Reorganisation, the authorised share capital of the Company will remain as HK\$5,000,000,000 divided into of 50,000,000,000 Adjusted Shares of HK\$0.10 each, of which approximately 977,317,496 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become HK\$97,731,749.6 (assuming no Existing Shares are issued or purchased from the date hereof until the effective date of the Capital Reorganisation). Assuming the Capital Reorganisation is implemented, the total credit arising from the Adjustment Proposal will be used to set off any accumulated deficit of the Company at the relevant time with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company.

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

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

LETTER FROM THE BOARD

Effect of the Capital Reorganisation

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

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders, save for arrangements regarding fractional Adjusted Shares mentioned above.

Free exchange of Adjusted Share certificates and trading arrangements

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

Reasons

Despite the May Capital Reorganisation, the Existing Shares of the Company has been trading at a price below its nominal value of HK\$0.10 each since 14th July, 2008. Under the Companies Law, it is not permissible for a Cayman company to issue shares at a discount to the nominal value of its shares, unless in compliance with section 35 of the Companies Law, which includes, *inter alia*, requirements to obtain authorisation of members of the Company and sanction by the Court. Given the current trading prices, the Company is unable to conduct any fund raising activity. In addition, due to the expected 4 to 6 months time lag needed to effect a Capital Reorganisation, the Company proposes to effect the Capital Reorganisation as soon as practicable to provide it with flexibility to effect fund raising exercises as and when opportunities arise to provide funding for the Company to expand its current businesses including insurance and financial services and/or to explore other investment opportunities.

LETTER FROM THE BOARD

Timing

The Adjustment Proposal is subject to the Court's approval. The Capital Reorganisation will become effective after the Court's approval and compliance with the conditions (if any) imposed by the Court, which is expected to take approximately 4 to 6 months from the date of the Announcement.

CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded in board lots of 4,000 Existing Shares each. The Company proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 Adjusted Shares (the "Change in Board Lot Size") upon the Capital Reorganisation becoming effective.

Assuming the Capital Reorganisation and the Change in Board Lot Size becomes effective, the Adjusted Shares will be traded in board lots of 10,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be (i) HK\$2,700, based on the closing price of HK\$0.27 per Adjusted Share (based on the closing price of HK\$0.054 per Existing Share as quoted on the Stock Exchange on 11 August 2008, the date prior to the date of the Announcement and adjusted for the effect of the Share Consolidation) and (ii) HK\$1,900, based on the closing price of HK\$0.19 per Adjusted Share (based on the closing price of HK\$0.038 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation). The Change in Board Lot Size is conditional on the Capital Reorganisation becoming effective.

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

GENERAL

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

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 76 of the Articles of the Company sets out the following procedure by which Shareholders may demand a poll.

At any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless it is required by the Listing Rules that votes be taken by way of a poll or a poll is (before or on the declaration of the result of the show of hands) demanded:–

- (i) by the Chairman; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors believe that the proposal for the Capital Reorganisation are in the interests of the Company and Shareholders and so recommend Shareholders to vote in favour of the resolution to be proposed at the EGM to approve such matter.

LETTER FROM THE BOARD

EGM

A notice convening the EGM is set out on pages 10 to 12 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event no later than forty-eight hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

Yours faithfully
For and on behalf of the Board
FREEMAN CORPORATION LIMITED
Kwong Wai Tim, William
Managing Director

NOTICE OF EGM



FREEMAN CORPORATION LIMITED 民豐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 279)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Freeman Corporation Limited (the “Company”) will be held at Function Room III, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Wednesday, 17th September, 2008 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following special resolution:–

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) approval by the Grand Court of Cayman Islands (the “Court”) of the Capital Reduction (as defined below), registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in, shares of HK\$0.10 each in the issued share capital of the Company, upon the date (the “Effective Date”) on which the Capital Reduction (as defined below) becomes effective:–

- (A) the issued share capital of the Company be reduced by cancelling paid up capital to the extent of HK\$0.08 on each of the Shares in issue as of the Effective Date (the “Capital Reduction”) so that each issued share of HK\$0.10 in the capital of the Company shall be treated as one fully paid up share of HK\$0.02 in the capital of the Company (“Reduced Share”) and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital hereby cancelled be made available for issue of new shares of the Company so that the authorised capital of the Company of HK\$5,000,000,000 remains unchanged on the Effective Date;

NOTICE OF EGM

- (B) subject to and forthwith upon the Capital Reduction becoming effective, every five issued Reduced Shares of HK\$0.02 each be consolidated into one consolidated Share of HK\$0.10 (“Adjusted Share”) and any fraction of Adjusted Shares arising from the share consolidation shall not be allocated to the holders of the Reduced Shares otherwise entitled thereto but such fractions shall be aggregated and be sold for the benefit of the Company (“Share Consolidation”);
- (C) the credit arising from the Capital Reduction be applied towards cancelling the accumulated deficit of the Company (if any) with the entire amount or the balance to be transferred to the distributable capital reduction reserve account of the Company where it may be utilised by the directors of the Company in accordance with the articles of association of the Company and all applicable laws;
- (D) all of the Adjusted Shares resulting from the Capital Reduction and Share Consolidation shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s articles of association; and
- (E) the directors of the Company be and are hereby authorised generally to do all things they may consider appropriate and desirable to effect and implement the Capital Reduction, Share Consolidation and application of credit arising from the Capital Reduction (together with “Capital Reorganisation”).”

By the Order of the Board
FREEMAN CORPORATION LIMITED
Kwong Wai Tim, William
Managing Director

Hong Kong, 25th August, 2008

NOTICE OF EGM

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy duly appointed pursuant to the articles of association of the Company is entitled to vote on a show of hands at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed for a notarially certified copy of that power or authority shall be deposited at the Company's share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.