

INTERIM FINANCIAL REPORT

The Board of Directors of Freeman Corporation Limited (the "Company") hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2006. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September, 2006

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		2006	2005
	<i>NOTES</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Turnover	3	96,241	37,971
Cost of sales		(97,912)	(23,689)
Gross (loss)/profit		(1,671)	14,282
Other income		57,640	162
Impairment loss recognised in respect of available-for-sale investments		-	(6,000)
Loss on changes in fair value of investments held for trading		(26,128)	-
Impairment loss recognised in respect of loans receivable		(118,752)	-
Loss on disposal of investment securities		(3,500)	-
Loss on changes in fair value of embedded financial derivatives		(1,872)	-
Administrative and other expenses		(11,483)	(8,148)
(Loss)/profit from operations	5	(105,766)	296
Finance costs		(1,969)	(13)
Share of results of an associate		-	400
(Loss)/profit before taxation		(107,735)	683
Taxation	6	2,384	(1,229)
Net loss for the period		(105,351)	(546)
Loss per share – basic	8	HK(8.88) cents	HK(0.27) cent