
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer, a 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 the transferee or to the bank manager, licensed securities dealer 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)

MAJOR TRANSACTION

PARTIAL DISPOSAL OF INTEREST IN A SUBSIDIARY

A notice convening the EGM (as defined herein) to be held at Function Room, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 9:00 a.m. on Monday, 18 September 2006 is set out on pages 19 to 20 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular.

If you are not able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, 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 EGM or any adjournment of it should Shareholders so wish.

31 August 2006

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DEFINITIONS

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

“Agreement”	the conditional sale and purchase agreement dated 17 July 2006 entered into between the Vendor and the Purchaser in relation to the Transaction;
“Associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the Board of Directors;
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Completion”	completion of the Transaction under the Agreement;
“Connected Person(s)”	the meaning ascribed thereto in the Listing Rules;
“Directors”	the Directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Function Room, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 9:00 a.m. on Monday, 18 September 2006 to approve the Agreement and the transactions contemplated thereunder;
“Enlarged Group”	the Group as enlarged by the inclusion of the HMIL and its subsidiaries on completion of the conversion of the convertible note issued by HMIL acquired by the Company as referred to in the Company’s circular dated 24 May 2006;
“Group”	the Company and its subsidiaries;
“Guarantor”	the ultimate beneficial owner of the Purchaser, being a third party individual independent of the Company and Connected Persons of the Company;
“Hansom Shenzhen”	恒盛東方進出口(深圳)有限公司 Hansom Eastern Import & Export (Shenzhen) Limited, a company incorporated in the People’s Republic of China on 8 April 2005;

DEFINITIONS

“Hansom Trading”	Hansom Eastern International Trading (Group) Limited, a company incorporated in Hong Kong on 11 November 2002;
“HK\$”	the legal currency of Hong Kong;
“HMIL”	Hennabun Management International Limited, a company incorporated in the British Virgin Islands;
“Latest Practicable Date”	29 August 2006, 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;
“Loan”	an interest free shareholder loan made by the Vendor to Mega Victory in the amount of HK\$231,165,131.75 as at 10 July 2006 which is repayable on demand;
“Mega Victory”	Mega Victory Limited, a company incorporated in the British Virgin Islands on 8 June 2006;
“PRC”	the People’s Republic of China;
“Purchaser”	Upperskill Limited, a company incorporated in the British Virgin Islands;
“RMB”	the lawful currency in the PRC;
“Sale Loan”	55% of the amount of the Loan to be assigned from the Vendor to the Purchaser pursuant to the Agreement;
“Sale Shares”	55 shares of US\$1.00 each, representing 55% of the entire issued share capital of Mega Victory as of the Latest Practicable Date;
“SFO”	The Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Transaction”	the proposed sale of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the Agreement; and
“Vendor”	Longsun Ltd., a wholly-owned subsidiary of the Company.

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

Mr Kwong Wai Tim, William (*Managing Director*)

Ms Kwok Wai Ming

Ms Au Shuk Yee, Sue

Registered Office

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

Independent Non-executive Directors

Mr Gary Drew Douglas (*Acting Chairman*)

Mr Chiu Siu Po

Ms Hui Wai Man, Shirley

Principal place of

business in Hong Kong:

31st Floor

China United Centre

28 Marble Road

North Point

Hong Kong

31 August 2006

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

PARTIAL DISPOSAL OF INTEREST IN A SUBSIDIARY

INTRODUCTION

It was stated in the announcement issued by the Company dated 24 July 2006 that on 17 July 2006, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement whereby the Vendor agreed to sell and the Purchaser agreed to purchase its rights, title and interest in the Sale Shares and the Sale Loan.

The Transaction contemplated under the Agreement constitutes a major transaction for the Company under the Listing Rules and is therefore subject to the approval of Shareholders at the EGM.

The purpose of this circular is to provide you with further information on the Transaction required under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

THE TRANSACTION

Terms of the Agreement

Date: 17 July 2006

Parties: (i) the Vendor
(ii) the Purchaser
(iii) the Guarantor

Terms: Subject to satisfaction of the Conditions described below:

- (i) the Vendor agreed to sell and the Purchaser agreed to purchase all the Vendor's rights, title and interests in the Sale Shares and the Sale Loan for a consideration of HK\$128,000,000; and
- (ii) the consideration shall be satisfied wholly by cash in the following manner:
 - (a) a non-refundable deposit of HK\$8,000,000 has been paid by the Purchaser upon execution of the Agreement;
 - (b) HK\$40,000,000 will be paid upon Completion; and
 - (c) the balance of the Consideration in the amount of HK\$80,000,000 will be paid by two equal instalments on dates falling 3 months and 6 months from the date of Completion respectively.
- (iii) Upon Completion, the Guarantor will guarantee the Vendor the payment by the Purchaser of the remaining two instalments of HK\$80,000,000 in total.

The consideration was fixed after arm's length negotiation by the Vendor and the Purchaser having taken into account of the net assets value of the Sale Shares and the amount of the Sale Loan.

The consideration is to be used by the Company for general working capital.

LETTER FROM THE BOARD

Conditions: Completion of the Agreement is conditional upon the following conditions (the “Conditions”):

- (i) approval of the Agreement and the transactions contemplated thereunder by Shareholders at the EGM pursuant to the Listing Rules;
- (ii) the Purchaser having completed and being satisfied with the results of the legal and financial due diligence on Mega Victory, Hansom Trading and Hansom Shenzhen; and
- (iii) all necessary approvals and consents having being granted or obtained under the relevant laws and regulations for the entering into of the Agreement and the transactions contemplated thereunder (if any).

If the conditions are not satisfied or waived on or before 5:00 p.m. on 25 September 2006 (or such later date as the Vendor and the Purchaser may agree) then the Agreement shall terminate and the parties shall have no further claims against each other save for claims in respect of antecedent breaches.

Completion: Completion shall take place on the third business day after the satisfaction of the Conditions, or such other date as the parties may agree.

Currently, two directors of Mega Victory are being nominated by the Vendor. After the Completion, the Vendor will not be entitled to nominate any director of Mega Victory.

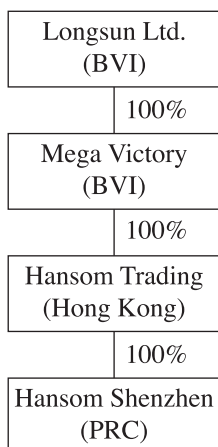
GENERAL INFORMATION

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company, and the Purchaser, the PRC Partner and their respective ultimate beneficial owners are not connected to each other.

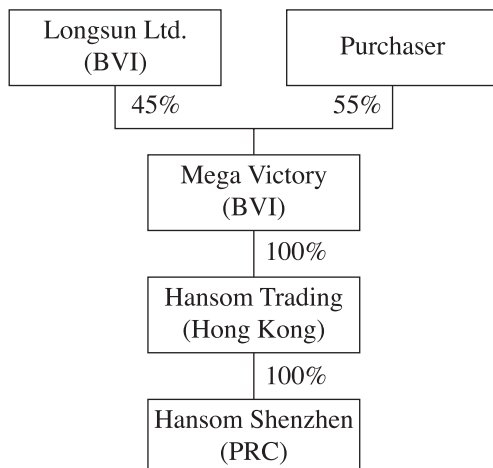
Mega Victory is a sole purpose investment holding vehicle. The Sale Shares represent 55% of the entire issued share capital of Mega Victory as at the Latest Practicable Date. After Completion, the Company will hold 45% of the issued share capital of Mega Victory and Mega Victory will cease to be a subsidiary of the Company.

LETTER FROM THE BOARD

Before completion of the Transaction



After completion of the Transaction



The businesses currently carried out by Hansom Trading and Hansom Shenzhen were developed by the Group itself and not acquired from any third party. To streamline the structure of the Group for the subject disposal, Mega Victory was set up as an investment holding company by the Group by acquiring a shelf company on 11 July 2006 at nominal value. Mega Victory has no actual business activities apart from holding the 100% interest in Hansom Trading. Hansom Trading commenced business in September 2004 and wholly-owns Hansom Shenzhen which commenced business in June 2005. They have been and are still engaged in the trading of general merchandises including electronic products and raw materials including iron ore, which is the non-core business of the Group.

Hansom Shenzhen has contemplated to engage in the business of trading of steel products and entered into a contract with a manufacturer and supplier of steel products in the PRC. In order to strengthen the profits of the trading arm of the Company, Hansom Shenzhen decided to engage in purchasing a significant amount of commodity, i.e. steel. Pursuant to the contract, Hansom Shenzhen made a prepayment of RMB221.1 million (approximately HK\$212.6 million) in July 2005 to the PRC partner as deposit to be applied towards future purchase of steel products from that partner. Any balance of the purchase sum can be refunded to Hansom Shenzhen in accordance with the contract after its expiry on 10 July 2006. Hansom Shenzhen have explored various possibilities in relation to the ongoing operation of the trading arm, including but not limited to the recovery of part/partial of such deposit, to re-negotiate of a new schedule of trading schedule and to locate any well connected partners in this field since April 2006. The principal asset of Hansom Shenzhen consists of such prepayment of RMB221.1 million (approximately HK\$212.6 million). As a commercial decision after taking into account of various factors including the decrease in prices of the steel products in the market and the results of its marketing efforts at the relevant time, Hansom Shenzhen, upon considering all factors, has not utilized its prepayment to purchase steel products from that partner and the amount of prepayment remains unchanged. In the Group's audited consolidated financial statements for the year ended 31 March 2006, an impairment loss of HK\$84,596,000 had been made against the deposit paid to the PRC partner.

LETTER FROM THE BOARD

According to the website www.mysteel.com and for reference purpose only, the prices of steel size of 12-14 mm per ton were RMB3,430, RMB3,150, RMB2,950, RMB3,180 and RMB3,120 as of 21 July 2005, 21 October 2005, 20 January 2006, 20 April 2006 and 21 July 2006 respectively.

Up to the Latest Practicable Date, the prepayment has not been released by the PRC partner. The Board considers the full refund of the prepayment will cast great difficulties in the commercial sense due to the fact that Hansom Shenzhen had not placed any order during the subject period under the contract and the PRC partner had reserved the subject goods to Hansom Shenzhen during the relevant period. After Completion, the management decisions as to how to negotiate with the PRC Partner will instead be a matter for the Purchaser and the Group's future course of action to deal with the remaining 45% interest in Mega Victory will depend on the coming circumstances. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the partner in the PRC and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company. The major assets of Hansom Trading consist of trade deposits and accounts receivable of HK\$8,000,000 and HK\$13,860,000 respectively. In the Group's audited consolidated financial statements for the year ended 31 March 2006, an impairment loss of HK\$4,700,000 and HK\$13,860,000 had been made against such trade deposits and accounts receivable respectively.

The Stock Exchange has indicated that the prepayment of RMB221.1 million made by Hansom Shenzhen to the PRC partner in July 2005 and the entering into the contract between Hansom Shenzhen and the PRC partner as referred to in the above paragraph constituted an advance to an entity under Rule 13.13 of the Listing Rules and/or a notifiable transaction under Chapter 14 of the Listing Rules. The Board will make further announcements if and as required by the Listing Rules.

Other than the Loan from the Vendor and the loan to Hansom Shenzhen to finance the above prepayment, both of which were of approximately HK\$231,160,000 as at 10 July 2006, Mega Victory does not have any material assets or liabilities.

Based on the current unaudited management account of Mega Victory, Hansom Trading and Hansom Shenzhen as at 10 July 2006, the consolidated net assets of Mega Victory, Hansom Trading and Hansom Shenzhen are approximately HK\$3,260,000. As such, the net assets value of the Sales Shares is approximately HK\$1,793,000 representing 55% of such consolidated net assets value. Based on the consideration of HK\$128,000,000, the total impairment losses of HK\$103,156,000 recognised in respect of the trade deposits and accounts receivables of Hansom Trading and Hansom Shenzhen in the Group's audited consolidated financial statements for the year ended 31 March 2006, the net assets value of the Sale Shares and that the Purchaser is acquiring the Sale Loan at its face value, the Group will record a gain on disposal of approximately HK\$55,802,000 in its income statement upon Completion.

The Company, through various subsidiaries, is engaged in trading of goods, provision of finance, trading of securities, property holding and investment activities.

LETTER FROM THE BOARD

The Purchaser is an investment holding company established for the purpose acquiring an interest in Mega Victory and is intended to be engaged in the PRC steel market.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is endeavouring to further develop the businesses of provision of finance, trading of securities and investment activities. As disclosed in the Company's circular dated 16 February 2006, the Company has since the end of December 2005 been investigating a new investment opportunity in a financial service group. Subsequently in its circular dated 18 April 2006, the Company announced that it has been constantly reviewing its existing businesses and possible new business opportunities, and the Company has decided that it is most likely that the investment in the financial services group will become more promising than that of in the manufacturing, travel and trading sectors in the PRC (especially in the Inner Mongolian region). The Company is endeavouring to further develop the businesses of provision of finance, trading of securities and investment activities. As such, the trading business will no longer be a core business of the Group. The Transaction enables the Company to dispose of its non-core business as part of the Company's strategy to streamline its business and to recover major part of the prepayment currently held by the PRC partner. The net proceeds from the Transaction will be included in the general working capital which may then be applied for any future investments of the Group whenever such opportunities arise. The proposed shareholding structure of Mega Victory after the partial disposal was a result of commercial negotiation and the Purchaser agreed to purchase 55% of the interests in Mega Victory. Upon Completion, the Company shall either hold the 45% interest for any potential trading profit or further realise the interest and/or has such other arrangements if the circumstances or opportunities arise.

The Directors are of the view that the terms of the Transaction are fair and reasonable and in the interests of shareholders as a whole.

LISTING RULES IMPLICATION

The Transaction contemplated under the Agreement constitutes a major transaction under the Listing Rules and is therefore subject to the approval of the shareholders at the EGM.

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, there is no Shareholder with a material interest in the Transaction, nor any Shareholder is required to abstain from voting on the resolution for approving the Transaction at the EGM.

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 a poll is (before or on the declaration of the result of the show of hands) demanded:

LETTER FROM THE BOARD

- (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 Board is of the opinion that the terms of the Agreement and the Transaction are fair, reasonable and in the best interest of the Company and Shareholders as a whole, and recommends you to vote in favour of the resolution to be proposed at the EGM to approve the Agreement and the Transaction.

Whether or not Shareholders are able to attend the EGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, 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 Shareholders from attending and voting in person at the EGM should Shareholders so wish.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

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

1. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources available to the Enlarged Group, including internally generated funds, the available credit facilities, the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 30 June 2006, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had aggregate outstanding borrowings of approximately HK\$215,588,000 comprising the following:

- (i) unsecured bank overdraft of approximately HK\$850,000;
- (ii) secured bank overdraft of approximately HK\$22,886,000 (note 1);
- (iii) mortgage loan of approximately HK\$41,101,000 (note 2); and
- (iv) unsecured other loan of approximately HK\$150,751,000 (note 3).

Notes:

- 1. The secured bank overdraft was secured by HMIL's margin clients stock.
- 2. The mortgage loans comprise of HK\$5,101,000, secured by Group's properties, and the remaining HK\$36,000,000 was secured by HMIL's properties.
- 3. Unsecured other loans comprise: (i) a sum of HK\$50,000,000 bearing an interest of prime rate plus 2% per annum and will be matured on 1 September 2006; (ii) a sum of HK\$53,500,000 bearing an interest of 12% per annum, of which a total of HK\$51,000,000 was settled on 17 July 2006, 24 July 2006, 27 July 2006 and 31 July 2006 respectively and the remaining HK\$2,500,000 will be repayable on demand; (iii) a sum of HK\$15,000,000 bearing an interest of prime rate per annum and will be matured on 12 December 2006; (iv) a sum of HK\$30,340,000 was fully settled on 7 July 2006; and (v) The remaining amount of HK\$1,911,000 representing the interest portion of (i), (ii) and (iii) above.

As at 30 June 2006, HMIL had provided secured margin financing of HK\$1,033,000 to the Group. Such balance has not been separately set out above since the amount will be contra against the accounts receivable of HMIL in the context of the presentation of the Enlarged Group's financial position.

As at 30 June 2006, there was a convertible note issued by HMIL of a principal amount of HK\$131,000,000 which is held by the Group. Such balance has not been separately set out above since the amount will be contra against the Group's investment in HMIL in the context of the presentation of the Enlarged Group's financial position.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Enlarged Group did not have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances or acceptance credits, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 June 2006.

Contingent liabilities

At the close of business on 30 June 2006, being the Latest Practicable Date for the purpose of this indebtedness statement, the Enlarged Group had no material contingent liabilities.

No material changes

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 30 June 2006.

3. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group is constantly reviewing its existing businesses and possible new business opportunities. The Company has decided that it is most likely that investment into the financial services industry will become more promising than that of in the trading sector. The Group is endeavouring to further develop the businesses of provision of finance, trading of securities, property investment and investment activities.

The Company has recently acquired further interest in a financial services group, Hennabun Management International Limited (“HMIL”), which will become a subsidiary of the Company after completion of the necessary procedures and approval by the regulatory bodies. HMIL, through its subsidiaries, is engaged in investment holding, provision of financial services including securities brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment. The investment in HMIL can enable the Company to integrate and strengthen its resources and enlarge the client base, with a view to the Company becoming a leading and sophisticated investment service advisor and finance provider in the market.

The Directors are of the opinion that the sale proceeds from the Transaction will improve the financial position of the Group and increase the working capital so as to enable the Group to explore any new business and investment opportunity.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained herein the omission of which would make any statement contained in this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules and which were required to be entered into the register required to be kept under section 352 of the SFO were as follows:

Long positions in Shares

Name of director	Capacity	Number of Shares	Approximate % of shareholding
Au Shuk Yee, Sue	Beneficial owner	1,500,000	0.11%

Interests in equity derivatives of the Company

Name of director	Date of grant	Exercisable period	Subscription price per share <i>HK\$</i>	Number of share options and underlying shares	Percentage of the Company's issued share capital at Latest Practicable Date
Kwong Wai Tim, William	16.1.2004	16.1.2004 to 15.1.2009	1.20	1,500,000	0.11%

Note: These share options were held by the relevant director as beneficial owner.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered into the register required to be kept under section 352 of the SFO.

(b) Interests of Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, Shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Enlarged Group were as follows:

(i) the Group

Name of Shareholder	Capacity	Number of Shares	Approximate % of shareholding
Chuang Eugene Yue-chien	Beneficiary of a trust	121,172,000	9.10%
Moon Light Investments Group Limited	Interest of controlled corporation	121,172,000	9.10%
Sunderland Properties Limited	beneficial owner	121,172,000	9.10%
Heritage International Holdings Limited	Interest of controlled corporation	130,524,000	9.80%
Coupeville Limited	Interest of controlled corporation	130,524,000	9.80%
Dollar Group Limited	beneficial owner	130,524,000	9.80%

(ii) HMIL and its subsidiaries

(a) Name of Shareholder	Number of Shares	Approximate % of shareholding
Grand Wishes Limited	309,633,334	35.55
Bloom Glory Limited	150,000,000	17.22
Chow Kam Wah	100,000,000	11.48
(b) Chung Nam Nominees Limited, an indirect wholly-owned subsidiary of HMIL, holds 40% of Chung Nam Commodities Limited (an indirect 60% held subsidiary of HMIL).		

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interests in any assets which have since 31 March 2006 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any members of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any members of the Enlarged Group;
- (ii) none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Enlarged Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Enlarged Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year, without payment of compensation other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Enlarged Group.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Enlarged Group within the two years preceding the date of this circular and is or may be material.

- (i) a placing agreement dated 7 January 2005 entered into between the Company and Uni-Alpha Securities Limited relating to the placing of 300,000,000 shares of the Company;
- (ii) a placing agreement dated 13 June 2005 and termination deed dated 6 January 2006 entered into between the Company and Uni-Alpha Securities Limited relating to the placing of convertible notes by the Company;
- (iii) an agreement dated 13 June 2005 and supplemental agreement dated 24 August 2005 and termination deed dated 1 February 2006 entered into between Goodnews Resources Limited and the Company relating to the subscription of 35,000,000 shares in the capital of the Company;

- (iv) a placing agreement dated 13 June 2005 and supplemental agreement dated 17 October 2005 and termination deed dated 6 January 2006 entered into between the Company and Uni-Alpha Securities Limited relating to a placing of 40,000,000 new shares in the capital of the Company;
- (v) an underwriting agreement dated 13 June 2005 entered into between the Company and Uni-Alpha Securities Limited relating to 20,000,000 new shares in the capital of the Company;
- (vi) an underwriting agreement dated 1 December 2005 entered into between the Company and Chung Nam Securities Limited relating to 44,000,000 new shares in the capital of the Company;
- (vii) underwriting agreement dated 30 December 2005 entered into between the Company, Get Nice Investment Limited and Kingston Securities Limited relating to 250,000,000 new shares in the Company;
- (viii) a placing agreement dated 30 December 2005 entered into between the Company and Get Nice Investment Limited relating to 750,000,000 new shares in the capital of the Company;
- (ix) a conditional agreement dated 10 April 2006 entered into between Willie International Holdings Limited and Freeman China Limited, a wholly-owned subsidiary of the Company, relating to the sale and purchase of the entire issued share capital of Leapfly Limited;
- (x) the conditional agreement dated 21 April 2006 and a supplemental agreement dated 2 May 2006 entered into between Yearwise Finance Limited and Equity Spin Investments Limited relating to a 8% convertible note issued by HMIL in the outstanding principal amount of HK\$131 million due on 20 September 2015;
- (xi) the conditional agreement dated 8 June 2006 entered into between the Company and Heritage International Holdings Limited relating to the sale and purchase of 53,800,000 shares of HMIL;
- (xii) Loan agreement dated 27 June 2006 for a standby credit facility of HK\$50,000,000 between Hansom Finance Limited and HMIL;
- (xiii) Loan agreement dated 7 August 2006 for a standby credit facility of HK\$50,000,000 between Double Smart Finance Limited and the Company; and
- (xiv) the Agreement.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor their respective associates had any interest in business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. CORPORATE INFORMATION

- (i) The secretary of the Company is Mr Ken Chan, who is a member of the Hong Kong Institute of Chartered Secretaries.
- (ii) The qualified accountant of the Company is Mr Ngai Wai Kin, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (iii) The share registrar and transfer office of the Company in Hong Kong is Secretaries Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) The English version of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 31st Floor, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts as disclosed in paragraph 5 of this Appendix II;
- (iii) the Annual Reports of the Company for the years ended 31 March 2005 and 31 March 2006; and
- (iv) (a) circular dated 18 April 2006 in relation to the proposed change of name, proposed capital reorganisation and discloseable transaction;
- (b) circular dated 24 April 2006 in relation to discloseable transactions;
- (c) circular dated 24 May 2006 in relation to major transaction – acquisition and conversion of Convertible Note; and
- (d) circular dated 4 July 2006 in relation to a discloseable transaction.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong at 9:00 a.m. on Monday, 18 September 2006 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the entering into the conditional agreement (“Agreement”) dated 17 July 2006 between Longsun Ltd. (the “Vendor”), a wholly-owned subsidiary of the Company, Upperskill Limited (the “Purchaser”) and the ultimate beneficial owner of the Purchaser as guarantor pursuant to which the Vendor agreed to sell: (a) 55 shares in Mega Victory Limited, a company incorporated in the British Virgin Islands which holds the entire share capital of Hansom Eastern International Trading (Group) Limited which in turn holds the entire issued share capital of 恒盛東方進出口(深圳)有限公司 Hansom Eastern Import & Export (Shenzhen) Limited and (b) 55% of the amount of an interest free loan made by the Vendor to Mega Victory Limited which amounted to HK\$231,165,131.75 as at 10 July 2006 for a consideration of HK\$128,000,000 (a copy of the Agreement has been produced to this meeting marked “A” and initialled by the chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed and the transactions contemplated thereunder be and are hereby approved and the Directors of the Company be and are hereby authorised to implement the transactions referred to in the Agreement and to do all such acts and things and sign such documents as they shall in the absolute discretion and consider necessary or desirable to give effect to the Agreement and the arrangements contemplated thereunder.”

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

Dated 31 August 2006

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. To be valid, the instrument appointing a proxy must 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 or a notarially certified copy of that power or authority must be deposited at the Company's share registrar in Hong Kong, 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.