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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Freeman Corporation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

- (I) PLACING OF NEW SHARES SUBJECT TO SHAREHOLDERS' APPROVAL;  
(II) REFRESHMENT OF GENERAL MANDATES TO ISSUE AND  
ALLOT SHARES AND REPURCHASE SHARES; AND  
(III) REFRESHMENT OF SCHEME MANDATE LIMIT  
OF SHARE OPTION SCHEME**

*Placing Agent*



**KINGSTON SECURITIES LIMITED**

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A letter from the Independent Board Committee is set out on page 16 of this circular and a letter from Menlo to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 23 of this circular.

A notice convening the extraordinary general meeting of Freeman Corporation Limited to be held at 9:00 a.m. on Monday, 2 April 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong is set out on pages 27 to 30 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, 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 the holding of the extraordinary general meeting or any adjournment thereof. Completion of a form of proxy will not preclude you from attending and voting at the extraordinary general meeting or any adjournment thereof in person if you so wish.

14 March 2007

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## DEFINITIONS

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

“Announcement”	the announcement dated 21 February 2007 issued by the Company in relation to, among other things, the Tranche II Placing, refreshment of general mandate to issue and allot Shares and repurchase Shares, and refreshment of scheme mandate limit of the Share Option Scheme
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“CN Placing Agreement”	the 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 up to HK\$300 million (of which convertible notes of HK\$100 million have been placed on a fully underwritten basis and convertible notes of up to HK\$200 million to be placed on a best effort basis will not proceed). This agreement was terminated on 16 February 2007
“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
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held at 9:00 a.m. on Monday, 2 April 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Tranche II Placing, the New General Mandates and new scheme mandate limit of the Share Option Scheme
“Existing General Mandate”	the general mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company on 29 December 2006, among other things, to allot, issue and deal with up to 346,327,240 Shares, representing 20% of the then issued share capital of the Company and to repurchase up to 173,163,620 Shares, representing 10% of the then issued share capital of the Company

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## DEFINITIONS

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“Extension Mandate”	the proposed extension of the Issue Mandate to be sought at the EGM to authorise the Directors to issue further Shares equal to the Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas, and Mr. Peter Temple Whitlam established by the Board to advise the Independent Shareholders in respect of the Issue Mandate and the Extension Mandate
“Independent Financial Adviser” or “Menlo”	Menlo Capital Limited, a licensed corporation to carry on business in type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Mr. Yang Fan Shing, Andrew and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates
“Issue Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“Last Trading Day”	15 February 2007, being the last full trading day for the Shares before the date of the Announcement
“Latest Practicable Date”	12 March 2007, being the latest practicable date prior to the printing of this circular for ascertaining information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“New General Mandates”	the Issue Mandate, Repurchase Mandate and Extension Mandate
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreements
“Placing(s)”	the Tranche I Placing and/or the Tranche II Placing
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement(s)”	the Tranche I Placing Agreement and/or the Tranche II Placing Agreement
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	an aggregate of up to 1,000,000,000 Shares to be placed pursuant to the terms of the Placing Agreements
“Repurchase Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to exercise powers of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme adopted and approved by the Company on 23 August 2002
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tranche I Placing”	placing of 346,000,000 new Shares pursuant to the terms of the Tranche I Placing Agreement

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## DEFINITIONS

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“Tranche I Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 16 February 2007 in relation to the Tranche I Placing
“Tranche II Placing”	placing of 654,000,000 new Shares pursuant to the terms of the Tranche II Placing Agreement
“Tranche II Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 16 February 2007 in relation to the Tranche II Placing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Yang Fan Shing, Andrew (*Chairman*)  
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  
British West Indies

*Independent non-executive Directors:*

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

*Principal Place of Business*

*in Hong Kong:*

31st Floor, China United Centre  
28 Marble Road  
North Point  
Hong Kong

14 March 2007

*To Shareholders of the Company*

Dear Sir or Madam,

**(I) PLACING OF NEW SHARES SUBJECT TO SHAREHOLDERS' APPROVAL;  
(II) REFRESHMENT OF GENERAL MANDATES TO ISSUE AND  
ALLOT SHARES AND REPURCHASE SHARES; AND  
(III) REFRESHMENT OF SCHEME MANDATE LIMIT  
OF SHARE OPTION SCHEME**

### INTRODUCTION

On 16 February 2007, the Company has entered into the Placing Agreements with the Placing Agent. Pursuant to the Placing Agreements, the Company has conditionally agreed to place, through the Placing Agent (i) under Tranche I Placing on a fully underwritten basis 346,000,000 Placing Shares to independent investors at a price of HK\$0.10 per Placing Share and (ii) under Tranche II Placing on a best effort basis 654,000,000 Placing Shares to independent investors at a price of HK\$0.10 per Placing Share. All the Placees and their respective ultimate beneficial owners (i) will not be a connected person (as defined in Listing Rules) of the Company; and (ii) is independent of the other Placees of the Company and its connected persons. The Tranche I Placing was completed on 8 March 2007. Details of the Tranche I Placing was set out in the Announcement.

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## LETTER FROM THE BOARD

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The Board proposes, *inter alia*, to (i) refresh the general mandates for the Directors to issue and allot and repurchase Shares not exceeding 20% and 10% respectively of the issued share capital of the Company as at the date of the EGM, and to extend the Issue Mandate so that the Directors be given a general mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate; and (ii) refresh the 10% scheme mandate limit of the Share Option Scheme.

Each of the Issue Mandate and the Extension Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate and the Extension Mandate will be subject to Independent Shareholders' approval by way of poll at the EGM.

The purpose of this circular is to provide you with further information regarding, among other things, (i) the Tranche II Placing; (ii) New General Mandates; (iii) refreshment of the scheme mandate limit of the Share Option Scheme; (iv) the recommendation from the Independent Board Committee on the refreshment of the Issue Mandate and the Extension Mandate; (v) the recommendation from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders on the refreshment of the Issue Mandate and the Extension Mandate; and (vi) the notice convening the EGM.

### THE TRANCHE II PLACING AGREEMENT

#### Date

16 February 2007

#### Issuer

Freeman Corporation Limited

#### Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 654,000,000 Placing Shares on a best effort basis and will receive a placing commission of 1.50% on the gross proceeds of the Tranche II Placing upon completion of the Tranche II Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission of 1.50% is fair and reasonable.

The Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons (as defined in Listing Rules).

#### Placees

The Placing Agent will place the Placing Shares to not fewer than six Placees, each of whom (i) will not be a connected person (as defined in Listing Rules) of the Company; and (ii) is independent of the other Placees of the Company and its connected persons. It is not expected that any individual Placee will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Tranche II Placing. The Company will comply with the Listing Rules in the event that any of the individual Placee becomes a substantial Shareholder (as defined in the Listing Rules) as a result of the Tranche II Placing.



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## LETTER FROM THE BOARD

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### **Placing Shares**

The 654,000,000 Placing Shares under Tranche II Placing represent approximately 29.10% of the Company's issued share capital of 2,247,636,202 Shares as at the Latest Practicable Date (taken into account the effect of the completion of the Tranche I Placing on 8 March 2007) and approximately 22.54% of the Company's issued share capital of 2,901,636,202 Shares as enlarged by the Tranche I Placing and Tranche II Placing.

### **Ranking of Placing Shares**

The Placing Shares under the Tranche II Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price was fixed on the day of which the Company and the Placing Agent entered into the Tranche II Placing Agreement, i.e. 16 February 2007. The Placing Price of HK\$0.10 represents a discount of approximately 18.70% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.123 on the Last Trading Day, being the latest trading day before the date of the Announcement; and (ii) the average closing price of HK\$0.121 in the last 5 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.10 also represents a discount of 21.69% to the average closing price of HK\$0.1277 in the last 10 trading days prior to the date of the Placing Agreement. The Placing Price of HK\$0.10 represents a discount of approximately 27.01% to the closing price of HK\$0.137 as at the Latest Practicable Date.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Tranche II Placing**

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Tranche II Placing;
- (ii) the passing of a resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares under the Tranche II Placing at the EGM; and
- (iii) the obligations of the Placing Agent under the Tranche II Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Tranche II Placing Agreement, including provisions regarding force majeure event.

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## LETTER FROM THE BOARD

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### Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of 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 of the Placing Agreement) of a political, military, financial, economic, 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 sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

### Completion of the Tranche II Placing

The conditions set out in the Placing Agreement are expected to be fulfilled on or before 30 April 2007, or such later date as may be agreed by the Company and the Placing Agent and the completion of the Tranche II Placing will take place on or before the third business day after the Tranche II Placing Agreement become unconditional.

The Tranche II Placing may or may not proceed and is subject to Shareholders' approval. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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## LETTER FROM THE BOARD

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### OTHER INFORMATION ON THE PLACING

#### Reasons for the Placing

The Directors consider the timing of the fund raising by the Placing is appropriate as the recent stock market has shown strong sentiment and the Placing will be attractive to the potential investors. The Directors consider that notwithstanding that the Placing will result in the dilution of the existing shareholding interest of the Shareholders, the Placing represents an opportunity to raise capital for the Company to enhance the general working capital base and the existing business of the Group and to further strengthen and develop the financial services arm of the Group.

#### Use of proceeds

The gross proceeds from the Tranche I Placing was approximately HK\$34.6 million and the net proceeds was approximately HK\$33.8 million. The gross proceeds from the Tranche II Placing will be approximately HK\$65.4 million and the net proceeds will be approximately HK\$64.3 million. The gross proceeds from the Placing will be approximately HK\$100.0 million. The net proceeds of approximately HK\$98.1 million from the Placing is intended to be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong. The net proceeds raised per Share upon the completion of both the Tranche I Placing and the Tranche II Placing will be approximately HK\$0.0981 per Share.

#### Fund raising activities in the past 12 months

Date of announcement	Transaction	Net proceeds raised/to be raised (approximately)	Completed	Intended use of proceeds	Actual use of proceeds
20 October 2006	Placing of 66,000,000 new Shares under the placing agreement dated 18 October 2006	HK\$16.17 million	Yes	To be used for general working capital	HK\$3.38 million – deposit to acquire a property HK\$12.79 million – general working capital
22 November 2006	Placing of convertible notes with a principal amount of up to HK\$300 million	HK\$292.5 million	Partial*	To be used for strengthening and developing financial services arm of the Group which includes the establishing of the new life insurance business of the Group	HK\$52.2 million – general working capital HK\$45 million – repaid to certain note holders upon redemption of the convertible notes

## LETTER FROM THE BOARD

\* convertible notes with principal amount of HK\$100 million have been placed on 12 January 2007 and the remaining convertible notes with principal amount of HK\$200 million will not be placed as the result of the termination of the CN Placing Agreement on 16 February 2007. Further details of the termination of the CN Placing Agreement were set out in the section “Termination of Convertible Notes Placing Agreement” in the Announcement.

### Effects on shareholding structure

	As at the date of the Announcement		As at the Latest Practicable Date (taken into account the effect of the completion of the Tranche I Placing on 8 March 2007)		Upon completion of the Tranche I Placing and the Tranche II Placing	
Directors and their associates ( <i>Note 1</i> )	37,000,000	1.94%	37,000,000	1.65%	37,000,000	1.28%
Parkson Group Limited ( <i>Note 2</i> )	200,000,000	10.52%	200,000,000	8.90%	200,000,000	6.89%
Radford Capital Investment Limited (stock code: 901) ( <i>Note 3</i> )	131,972,000	6.94%	131,972,000	5.87%	131,972,000	4.55%
Places of Tranche I Placing ( <i>Note 4</i> )	–	–	346,000,000	15.39%	346,000,000	11.92%
Places of Tranche II Placing ( <i>Note 4</i> )	–	–	–	–	654,000,000	22.54%
Other public Shareholders	1,532,664,202	80.60%	1,532,664,202	68.19%	1,532,664,202	52.82%
<b>Total</b>	<b>1,901,636,202</b>	<b>100%</b>	<b>2,247,636,202</b>	<b>100%</b>	<b>2,901,636,202</b>	<b>100%</b>

#### Notes:

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

### NEW GENERAL MANDATES

At the extraordinary general meeting of the Company held on 29 December 2006, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to (i) allot up to 346,327,240 Shares, which is equivalent to 20% of the then issued share capital of the Company; and (ii) to repurchase up to 173,163,620 Shares on the Stock Exchange, representing 10% of the then issued share capital of the Company. The Placing Shares under the Tranche I Placing were issued under the Existing General Mandate.

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## LETTER FROM THE BOARD

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In order to provide a flexible means for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposes to refresh the general mandates for the Directors to (i) issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM; and (iii) by a separate ordinary resolution, extend the Issue Mandate so that the Directors be given a general mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate.

Each of the Issue Mandate and the Extension Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate and the Extension Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM, and the Directors, Mr. Yang Fan Shing, Andrew and his associates (including, his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates, are required to abstain from voting in favour thereon.

Based on the 2,247,636,202 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued prior to the EGM, subject to the passing of the relevant ordinary resolutions to approve the New General Mandates at the EGM, the Directors will be authorized to allot and issue up to a limit of 449,527,240 Shares under the Issue Mandate; and to repurchase up to 224,763,620 Shares under the Repurchase Mandate. The Directors consider that the New General Mandates will enhance the flexibility for the Company to manage its business and therefore the New General Mandates are fair and reasonable and the granting of the New General Mandates are in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, the Company has no present intention to exercise the Issue Mandate to allot and issue any new Shares.

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME**

The Board also proposes to seek the approval of the Shareholders to refresh the 10% scheme mandate limit of the Share Option Scheme. Under the current limit of the Share Option Scheme, the Directors were authorized to grant options to subscribe for up to 173,163,620 Shares, representing 10% of the issued share capital of the Company as at the date of the extraordinary general meeting of the Company held on 29 December 2006 at which the existing scheme mandate limit was refreshed. Since the approval of the refreshed scheme mandate limit on 29 December 2006 and up to the Latest Practicable Date, the Company has granted and the grantees have exercised in full options to subscribe for a total of 170,000,000 Shares under the Share Option Scheme. As at the Latest Practicable Date, options to subscribe for 1,500,000 Shares were outstanding.

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## LETTER FROM THE BOARD

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In order to provide the Company with greater flexibility in granting share options to eligible persons (including employees and directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders at the EGM to refresh the scheme mandate limit of the Share Option Scheme at the EGM. The Directors consider that such refreshment of the scheme mandate limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

Based on the 2,247,636,202 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued and no share options are being granted prior to the EGM, upon the approval of the refreshment of the scheme mandate limit of the Share Option Scheme, the Directors will be authorized to issue options to subscribe for a total of 224,763,620 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date. However, the 3,163,620 share options not previously granted under the Share Option Scheme will not be counted for the purpose of refreshing the scheme mandate limit of the Share Option Scheme.

No outstanding share options of the Company will lapse as a result of the refreshment of the scheme mandate limit of the Share Option Scheme and the aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date. Save for the Share Option Scheme, the Company has no other share option schemes as at the Latest Practicable Date.

The refreshment of the scheme mandate limit of the Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the EGM to approve the refreshment of the scheme mandate limit of the Share Option Scheme by the Shareholders; and
- (ii) the Listing Committee of the Stock Exchange granted the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any options granted under the refreshed scheme mandate limit.

### 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.

The Independent Board Committee comprising Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitlam, all being independent non-executive Directors, has been formed to advise the Independent Shareholders on the Issue Mandate and the Extension Mandate. Menlo has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the Issue Mandate and the Extension Mandate.

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## LETTER FROM THE BOARD

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The text of the letter from the Independent Board Committee is set out on page 16 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 17 to 23 of this circular.

As at the Latest Practicable Date, the existing authorised share capital of the Company consists of 10,000,000,000 Shares out of which 2,247,636,202 Shares are issued and fully paid up (taken into account the effect of the completion of the Tranche I Placing on 8 March 2007).

Application has been made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares and the Option Shares.

### **EGM**

A notice convening the EGM is set out on pages 27 to 30 of this circular. The EGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions to approve the Tranche II Placing, the refreshment of the New General Mandates and the refreshment of the scheme mandate limit of the Share Option Scheme.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, each of the Issue Mandate and the Extension Mandate requires the approval of the Independent Shareholders by poll at the EGM. Since there is no controlling Shareholder of the Company, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Mr. Yang Fan Shing, Andrew and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates, shall abstain from voting in favour thereon.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 76 of the articles of association 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:

- (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 Tranche II Placing Agreement, the New General Mandates and the refreshment of the scheme mandate limit of the Share Option Scheme are fair and reasonable and in the interests of the Company and Shareholders as a whole, and recommends you to vote in favour of the resolutions to be proposed at the EGM to approve the Tranche II Placing, the New General Mandates and the refreshment of the scheme mandate limit of the Share Option Scheme.

### DIRECTORS' RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility of the accuracy of the information contained in this circular, and confirm, having made all reasonable enquiries, that to the best of their knowledge, information and belief, there are no other facts the omission of which would made any statement herein misleading.



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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

Yours faithfully,  
By Order of the Board  
**Freeman Corporation Limited**  
**Kwong Wai Tim, William**  
*Managing Director*



**FREEMAN CORPORATION LIMITED**

**民豐控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 279)**

14 March 2007

*To the Independent Shareholders*

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATES TO ISSUE AND ALLOT SHARES**

We refer to the circular of the Company to the Shareholders dated 14 March 2007 (the “Circular”), of which this letter forms part. Terms defined herein shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Menlo has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors and reasons taken into account in arriving at such advice, are set out in their letter of advice on pages 17 to 23 of the Circular.

Having considered the advice of Menlo, we consider that the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the Issue Mandate and the Extension Mandate are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Issue Mandate and the Extension Mandate.

Yours faithfully,

The Independent Board Committee

**Mr. Chiu Siu Po**

**Ms. Hui Wai Man, Shirley**

**Mr. Gary Drew Douglas**

**Mr. Peter Temple Whitelam**

*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter from Menlo Capital Limited for the purpose of incorporation in this circular, in connection with its advice in relation to the refreshment of the Issue Mandate and the Extension Mandate:*



**Menlo Capital Limited**  
**Room 06, 1st Floor, Beautiful Group Tower**  
**77 Connaught Road Central**  
**Hong Kong**

14 March 2007

*To the Independent Board Committee and  
the Independent Shareholders of Freeman Corporation Limited*

Dear Sirs,

### **REFRESHMENT OF GENERAL MANDATE**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Issue Mandate and the Extension Mandate, details of which are set out in the “Letter from the Board” (the “Board Letter”) contained in the circular (the “Circular”) issued by the Company to the Shareholders dated 14 March 2007 of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

Pursuant to Rule 13.36(4) of the Listing Rules, each of the Issue Mandate and the Extension Mandate requires the approval of the Independent Shareholders by way of poll at the EGM. Since there is no controlling Shareholder of the Company, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Mr. Yang Fan Shing, Andrew (“Mr. Yang”) and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee and their respective associates, shall abstain from voting in favour thereon.

The Independent Board Committee, comprising Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitlam, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned and whether the Issue Mandate and the Extension Mandate are in the interests of the Company and the Independent Shareholders as a whole.

In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

### **PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT**

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Issue Mandate and the Extension Mandate, we have taken the following principal factors and reasons into consideration:

#### **I. Background**

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.

In the Company's announcement on 20 October 2006, it was disclosed that the Company had expanded its financial coverage to the insurance service business through its acquisition of the entire issued share capital of Cinergy Holdings Limited. It was further stated in this announcement that by leveraging on the extensive experience of Mr. Yang in the insurance business, the Company and Mr. Yang would use their respective reasonable endeavours to expand the existing business of Cinergy Holdings Limited, subject to the regulatory requirements and approvals to set up a life insurance company authorized to conduct long term business in Hong Kong.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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At the extraordinary general meeting of the Company held on 29 December 2006, the Shareholders approved, amongst other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 346,327,240 Shares, which is equivalent to 20% of the then issued share capital of the Company. As stated in the Board Letter, the 346,000,000 Placing Shares under the Tranche I Placing, utilizing approximately 99.9% of the 346,327,240 Shares allowed to be issued under the Existing General Mandate, was completed on 8 March 2007. In order to provide a flexible mean for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposed for the Issue Mandate and the Extension Mandate.

As at the Latest Practicable Date, the Company had 2,247,636,202 Shares in issue (taken into account the effect of the completion of the Tranche I Placing). Subject to the passing of the ordinary resolution for the approval of the Issue Mandate and the Extension Mandate at the EGM and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of EGM, the Company would be allowed under the Issue Mandate to allot and issue up to 449,527,240 Shares, being 20% of Shares in issue as at the EGM.

### **II. Current resources and financial flexibility**

Pursuant to the CN Placing Agreement dated 20 November 2006, a placing agent agreed to procure subscribers for the convertible notes of the Company of up to a principal amount of HK\$300 million of which (i) HK\$100 million principal amount of the convertible notes would be placed on a fully underwritten basis; and (ii) up to HK\$200 million principal amount of the convertible notes would be placed on a best effort basis. Assuming all the convertible notes were successfully placed by the placing agent, total net proceeds of approximately HK\$292.5 million would be available to the Group for further strengthening and developing the financial services arm of the Group, which includes the establishing of the new life insurance business of the Group.

However, as disclosed in the Company's announcement on 21 February 2007, the CN Placing Agreement was terminated on 16 February 2007 resulting that the placing of the convertible notes with principal amount of up to HK\$200 million on a best effort basis shall not proceed. The placing of the convertible notes with principal amount of HK\$100 million on a fully underwritten basis had been placed on 12 January 2007 and the net proceed of HK\$52.2 million was used as general working capital of the Group and HK\$45 million was used to repay certain note holders upon redemption of the convertible notes.

On 16 February 2007, the Company has conditionally agreed to place, through the Placing Agent (i) under Tranche I Placing on a fully underwritten basis 346,000,000 Placing Shares to raise a net proceeds of approximately HK\$33.8 million; and (ii) under Tranche II Placing on a best effort basis 654,000,000 Placing Shares to raise a net proceeds of approximately HK\$64.3 million. The total net proceeds of approximately HK\$98.1 million from the Tranche I Placing and the Tranche II Placing is intended to be used for general 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have discussed with the Directors and are advised that the existing cash resources of the Group together with the net proceeds expected to be raised from the Placing are sufficient for the Group to meet its immediate requirements. However, the Directors expect that the development of the new life insurance businesses require ample amount of capital in the medium to long term. If the convertible notes with principal amount of up to HK\$200 million on a best effort basis could be placed successfully, a maximum net amount of approximately HK\$195.3 million could be raised for such purpose. With the termination of the CN Placing Agreement, another means of fund raising have to be explored. There is no certainty that existing cash resources will be adequate or other financing alternatives will be available for the development of the new life insurance business and/or acquisition of appropriate addition investments that may be identified by the Company in the future as investment opportunities may arise at any time and investment decisions may have to be made within a short period of time. The Company would be allowed under the Issue Mandate to allot and issue up to 449,527,240 Shares to raise additional funds for the development of the new life insurance business; and under the Extension Mandate to extend the Issue Mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate, if required.

In the event that the Group identifies a suitable investment opportunity but does not have sufficient cash resources on hand, and if it fails to obtain debt financing on terms which the Directors consider acceptable to the Group or raise funds from the equity capital market, or it cannot find other alternatives to finance the acquisition of such investment opportunities in a timely manner, the Group may lose its bid for an otherwise favourable investment. The Group will be in a disadvantageous position if it is unable to obtain sufficient funds in a timely manner to finance a potential investment. Therefore, the Directors consider that the Issue Mandate and the Extension Mandate will enhance the flexibility for the Company to manage its business and therefore the Issue Mandate and the Extension Mandate are fair and reasonable and the granting of the Issue Mandate and the Extension Mandate are in the interests of the Company and the Shareholders as a whole.

In view of the above, we consider that the granting of the Issue Mandate and the Extension Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of Shares for further development of the Group. In addition, the Directors consider that if investment or acquisition opportunities arise, a decision may have to be made within a short period of time. The Issue Mandate and the Extension Mandate could provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital through placement of Shares as consideration for funding such potential investments and/or acquisitions in the future as and when such opportunities arise. The increase in the amount of capital which may be raised under the Issue Mandate and the Extension Mandate would improve the overall financial position of the Group which in turn could provide more options for financing to the Group when assessing and negotiating potential investments and/or acquisitions in a timely manner. Accordingly, we are of the opinion that the refreshment of the Issue Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### III. Other financing alternatives

In appropriate circumstances, other than raising funds by way of issuing equity capital, the Directors will also consider other financing methods such as debt financing or internal cash resources to fund its future business development, depending on the then financial position of the Group.

Subject to the then market condition, the Directors will consider and conducting an equity fund raising exercise by issuing Shares, which may or may not result in the exercise of the Issue Mandate and the Extension Mandate, to prepare for future business development of the Group. As at the Latest Practicable Date, the Company has no intention to exercise the Issue Mandate and the Extension Mandate to allot and issue any new Shares.

As advised by the Directors, the Issue Mandate and the Extension Mandate provides another alternative to the Directors to raise financing for the Group's businesses and the Directors will use such method of financing which serves the best interest of the Group. We consider that it is sensible and reasonable for the Directors to make reference to the then financial position of the Group in order to decide on the financing method for the future development of the Group.

### IV. Potential dilution to shareholding of the Independent Shareholders

Set out below is a table showing (i) the shareholding structure of the Company as at the Latest Practicable Date (taken into account the effect of the completion of the Tranche I Placing on 8 March 2007) ; and (ii) for illustrative purpose, the shareholding structure of the Company upon full utilization of the Issue Mandate (assuming that the Issue Mandate and the Extension Mandate will be approved at the EGM, no new Shares will be issued or repurchased between the Latest Practicable Date and the EGM and the Extension Mandate is not exercised):

Shareholders	As at the Latest Practicable Date (taken into account the effect of the completion of the Tranche I Placing)		Issued Shares with full utilisation of the Issue Mandate and the Extension Mandate	
	No. of Shares	%	No. of Shares	%
Parkson Group Limited ( <i>Note 1</i> )	200,000,000	8.90	200,000,000	7.42
Radford Capital Investment Limited (Stock Code: 901) ( <i>Note 2</i> )	131,972,000	5.87	131,972,000	4.89
Directors and their associates ( <i>Note 3</i> )	37,000,000	1.65	37,000,000	1.37
Shares issued under the Issue Mandate Public ( <i>Note 4</i> )	–	–	449,527,240	16.67
	<u>1,878,664,202</u>	<u>83.58</u>	<u>1,878,664,202</u>	<u>69.65</u>
Total	<u>2,247,636,202</u>	<u>100.0</u>	<u>2,697,163,442</u>	<u>100.0</u>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Notes:*

1. Mr. Yang, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
2. The shares of Radford Capital Investment Limited (stock code: 901) are listed on the Main Board of the Stock Exchange.
3. Mr. Yang, being a Director, and his wife have personal interests of 20,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest of 15,000,000 Shares.
4. The percentage of Shares held by the public Shareholders including the placees holding 346,000,000 Shares pursuant to the Tranche I Placing.

As can be seen from the above table, the aggregate shareholding of the existing public Shareholders will be decreased from approximately 83.58% to approximately 69.65% upon full utilization of the Issue Mandate.

Taken into account that (i) the Issue Mandate and the Extension Mandate provides a financial flexibility to the Group for further development of its business as well as in other potential investments and/or acquisitions as and when such opportunities arises in the future; and (ii) the Issue Mandate and the Extension Mandate provides an alternative to raise new equity capital for the Company; and (iii) the shareholding of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilization of the Issue Mandate, we consider that the above potential dilution to the shareholding of the Independent Shareholders to be justifiable.

### **V. Terms of the Issue Mandate**

Pursuant to Rule 13.36(4) of the Listing Rules, the Company will be convening the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the Issue Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the ordinary resolution; and
- (ii) the Director be granted the Extension Mandate that the Issue Mandate be extended to issue Shares equal to the number of Shares repurchased by the Company pursuant to the general mandate granted to the Directors at the EGM.

Shareholders should note that the Existing General Mandate (subject to the extent that such authority has not been exercised) will be revoked upon approval at the EGM of the Issue Mandate and the Issue Mandate will be in force until the earliest of (i) the conclusion of the Company's next annual general meeting which is expected to be held in August 2007; (ii) the expiration of the period within which the next annual general meeting is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the authority given under the relevant resolution to approve the Issue Mandate by ordinary resolution of the Shareholders in general meeting of the Company.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Issue Mandate and the Extension Mandate.

Yours faithfully,  
For and on behalf of  
**Menlo Capital Limited**  
**Michael Leung**  
*Director*

*The following is an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate.*

## **1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of share by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or, by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

## **2. REASONS FOR REPURCHASES**

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it is appropriate to repurchase securities, the Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities on the market. The repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

## **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprises 2,247,636,202 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 224,763,620 Shares.

## **4. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of the Cayman Islands.

**5. IMPACT OF REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2006) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or, to the best of the knowledge and belief, having made all reasonable enquiries, any of their respective associates has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined under the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any of the Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders. In accordance with the Listing Rules, the Company shall not knowingly purchase Shares from a connected person on the Stock Exchange and a connected person shall not knowingly sell his Shares to the Company.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchase of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Cayman Islands and in accordance with the memorandum and articles of association of the Company.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company in the six months (whether on the Stock Exchange or otherwise) ended on the Latest Practicable Date.

**8. THE CODE ON TAKEOVERS AND MERGERS (“TAKEOVERS CODE”)**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Mr. Yang Fan Shing, Andrew and his associates and Radford Capital Investment Limited, being the Shareholders who are interested in 5% or more of the issued share capital of the Company, were interested in 222,000,000 and 131,972,000 Shares respectively (representing approximately 9.88% and 5.87% of the total issued share capital of the Company respectively). On the basis that the issued share capital of the Company remains unchanged up to the date of the EGM, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the EGM, the interest of each of Mr. Yang Fan Shing, Andrew and his associates and Radford Capital Investment Limited in the issued Shares would be increased to approximately 10.97% and 6.52% of the total issued share capital of the Company respectively. Such an increase of shareholding would not give rise to an obligation for such Shareholders to make a mandatory offer under the Takeovers Code. The Directors do not have any present intention to exercise the Repurchase Mandate to such an extent as would give rise to such an obligation.

Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which the exercise in full of the Repurchase Mandate would have under the Takeovers Code.

## 9. MARKET PRICES OF SHARES

During the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
<b>2006</b>		
February	0.260	0.209
March	0.255	0.212
April	0.244	0.207
May	0.242	0.210
June	0.234	0.138
July	0.144	0.122
August	0.159	0.133
September	0.212	0.150
October	0.305	0.205
November	0.290	0.222
December	0.255	0.237
<b>2007</b>		
January	0.175	0.129
February	0.152	0.116
March (up to the Latest Practicable Date)	0.146	0.111

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Freeman Corporation Limited (the “Company”) will be held at 9:00 a.m. on Monday, 2 April 2007 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong for the following purposes of considering and, if thought fit, passing, with or without modification, the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. **“THAT:**

- (a) the execution of the conditional placing agreement (the “Placing Agreement”) dated 16 February 2007 between the Company and Kingston Securities Limited (the “Placing Agent”) pursuant to which, inter alia, the Placing Agent agreed to (i) procure places to subscribe for 654,000,000 new Shares (“Placing Shares”) to be issued by the Company, on a best effort basis (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for the identification purpose) be and is hereby confirmed, approved and ratified;
- (b) the allotment and issue of the Placing Shares pursuant to and in accordance with the terms and conditions of the Placing Agreement be and is hereby approved; and
- (c) any one director of the Company be and is hereby authorised to take such actions or execute such documents to effect the issue of the Placing Shares and to do such other things and to take all such action he or she consider necessary or desirable for the purpose of giving effect to the Placing Agreement.

2. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF EGM

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- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or, otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other, arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

### 3. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock

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## NOTICE OF EGM

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exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- 4. “**THAT** conditional upon the passing of the ordinary resolutions numbered 2 and 3 in the notice convening the meeting of the Company dated 14 March 2007, the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to and in accordance with the said resolution numbered 3 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 2 set out in the notice of the meeting of the Company dated 14 March 2007.”

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## NOTICE OF EGM

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5. “**THAT** the existing scheme mandate limit in respect of the granting of options to subscribe for shares in the Company (“Shares”) under the share option scheme adopted by the Company on 23 August 2002 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the Shares of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby authorized, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 14 March 2007

*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 26/F., 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.