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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)

**DISCLOSEABLE TRANSACTION  
ENTERING INTO THE JOINT VENTURE AGREEMENT**

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25 September 2007

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 4 September 2007 regarding the entering into the Joint Venture Agreement by the Company
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”, “Freeman”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Joint Venture Agreement”, “JV Agreement”	an agreement dated 3 September 2007 entered into between FCAML and the JV Partner in relation to the establishment of a sino-foreign equity joint venture company in the PRC tentatively named as 民豐博愛小站資產管理有限公司 (Freeman Caring Company Limited)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Latest Practicable Date”	21 September 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“PRC”	the People’s Republic of China
“RMB”	renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



**FREEMAN CORPORATION LIMITED**  
**民豐控股有限公司**

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

(Stock Code: 279)

*Executive Directors:*

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

*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 Whitelam

*Principal office of business*

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

25 September 2007

*To the Shareholders*

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTION**  
**ENTERING INTO THE JOINT VENTURE AGREEMENT**

**INTRODUCTION**

On 3 September 2007, the Company's wholly owned subsidiary, Freeman Caring Assets Management Limited, entered into a joint venture agreement with a party in PRC for the setting up of a sino-foreign equity joint venture company in PRC.

The purpose of this circular is to provide you with detail information regarding the entering into the joint venture agreement.

# LETTER FROM THE BOARD

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## THE JOINT VENTURE AGREEMENT

### Date:

3 September 2007

### Parties:

1. 北京王鼎市場營銷諮詢有限公司 (the “JV Partner”), a company incorporated in the PRC. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the JV Partner, and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules); and
2. Freeman Caring Assets Management Limited 「民豐博愛資產管理有限公司」 (“FCAML”), a company incorporated in the British Virgin Islands, which being a wholly-owned subsidiary of Freeman.

### Details of the Joint Venture Agreement:

The JV Partner and FCAML agreed to set up a sino-foreign equity joint venture company in PRC tentatively named as 民豐博愛小站資產管理有限公司 (Freeman Caring Company Limited) (the “JV Co”) with registered share capital of RMB50,000,000. FCAML will contribute RMB35,000,000 and the JV Partner will contribute RMB15,000,000 which represent 70% and 30% of the share capital of the JV Co respectively. The JV Partner will procure the registration of the JV Co and obtain all the relevant approvals, licenses and assistances for operating the Freeman Caring Businesses in the Freeman Stations (as defined below). The RMB15,000,000 capital contribution by the JV Partner to the JV Co may include any injection in kinds such as patents on the layout and design of the Freeman Stations, internet websites domain names and rights which are relevant to the business of the JV Co, if appropriate. Those assets that may be so injected into the JV Co do not have any current income stream. The exact details of any such assets to be injected and their corresponding amounts have not been determined at the Latest Practicable Date. The assets to be injected by the JV Partner into the JV Co will be mutually agreed between the JV Partner and FCAML. Should there be any future injection of assets other than cash by the JV Partner which have implications under the Listing Rules, the Company will comply with such requirements of the Listing Rules in due course, if necessary.

The total amount of the investment in the JV Co amounts to RMB100,000,000. According to the JV Agreement, FCAML shall procure the remaining balance of the total investment amount beside the registered share capital (i.e. RMB50,000,000) be made available to the JV Co. Hence, the total amount of the capital commitment to the JV Co by FCAML is RMB85,000,000. The funds of the investment in the JV Co by FCAML are intended to come from the working capital of the Company.

As a mean of security for FCAML’s commitment to the agreement, FCAML has paid Hong Kong Dollars equivalence of RMB5,000,000 (the “Deposit”) to the JV Partner on 5 September 2007 for initial capital injection of the JV Co which is due to be established. The JV Partner will ensure the Deposit be applied towards FCAML’s contribution to the share capital of the JV Co.

# LETTER FROM THE BOARD

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## Conditions Precedent

The JV Agreement is conditional upon:

- (i) the approval of the JV Agreement and the transactions contemplated thereunder by the Shareholders at a general meeting of the Shareholders, if necessary; and
- (ii) satisfactory result of due diligence to be conducted on the feasibility of the business as well as the legal and regulatory frameworks applicable to the establishment and operations of the JV Co.

If the above conditions precedent has not been fulfilled on or before 30 September 2007 or such later date as the parties may agree, the JV Agreement shall lapse and be terminated and the JV Partner shall return the Deposit to FCAML. Regarding condition precedent numbered (i) above, the Company is currently of the knowledge that the JV Agreement does not require the Shareholders' approval at a general meeting pursuant to the Listing Rules. The condition precedent numbered (ii) above has not been fulfilled at the Latest Practicable Date.

Upon the fulfillment of the above-mentioned conditions precedent, FCAML shall inject the remaining RMB30,000,000 into the share capital of the JV Co within 10 working days after the receipt of formal notice of request for capital injection from the JV Partner. Should FCAML fail to inject the remaining RMB30,000,000, the JV Partner has the right to forfeit the Deposit.

The JV Partner shall ensure the incorporation and registration of the establishment of the JV Co with the right to operate the Freeman Caring Businesses (as defined below) be completed within 30 working days after the complete injection of the RMB35,000,000 into the capital of the JV Co by FCAML or no later than 30 November 2007, otherwise the JV Partner shall procure the JV Co to refund the whole sum of RMB35,000,000 to FCAML.

## THE BUSINESS OF THE JV CO

The major business of the JV Co will be the implementation of "The Entering into Communities by the Red Cross Programme"「紅十字萬站進社區活動」which covers the entire China. The programme is implemented by the Red Cross Society of China Commercial Industry Branch「中國商業系統紅十字會」and promoted by the National Office of the Red Cross Society of China「中國紅十字會總會」. The programme targets to set up initially 20,000 various stations in the entire China tentatively named as「民豐博愛小站」("Freeman Station(s)") to provide various health, insurance and financial related services to the local communities, including:

- (1) First Aid and Health Services;
- (2) Sale of Health and Hygienic Products;
- (3) Provision of Health Management Card Programme;

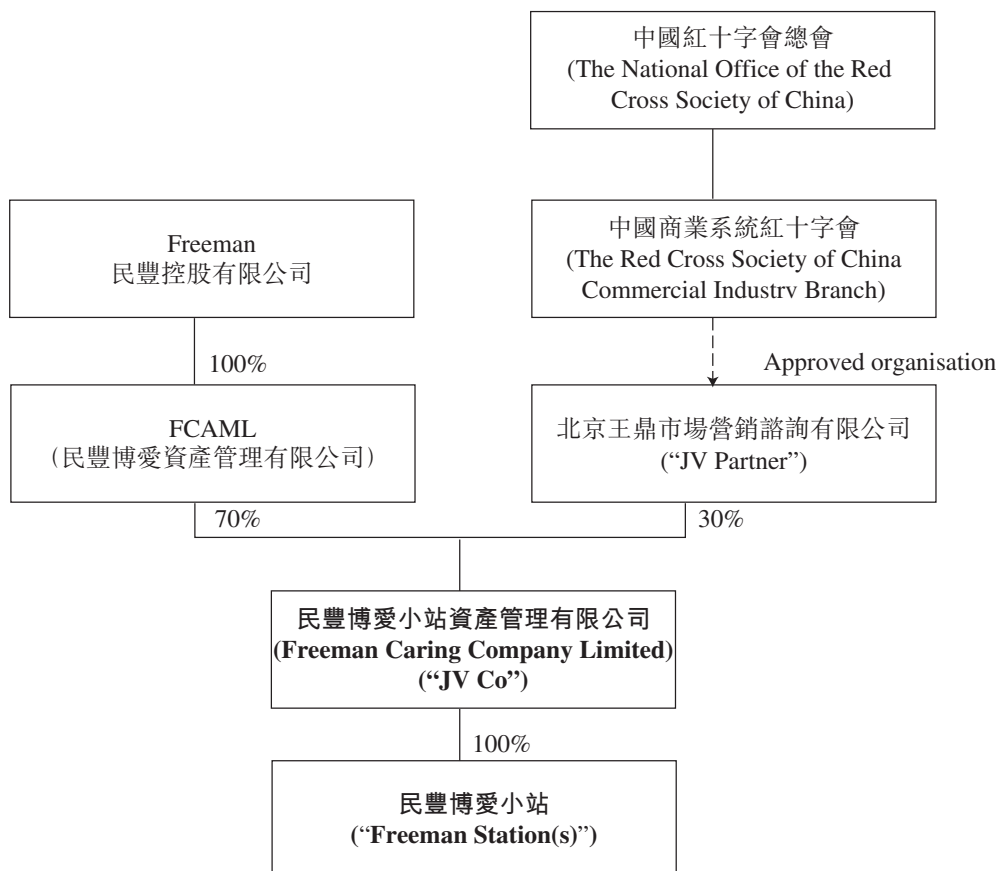
# LETTER FROM THE BOARD

- (4) Financial Services;
- (5) Insurance Services;
- (6) Advertising and Media Services; and
- (7) Such other relevant services.  
(together, the “Freeman Caring Businesses”)

The JV Co, with the assistance, support and resources allocated from the Red Cross Society, will operate and manage the Freeman Stations to promote and carry out the activities recommended by the Red Cross Society of China 「中國紅十字會」. Each Freeman Station will be wholly owned by the JV Co which will be solely responsible for the operation and administration of the network of the Freeman Stations. According to its proposed corporate constitutional documents, the JV Co itself is profit-making in nature.

## THE STRUCTURE OF THE JV COMPANY

The structure of the JV Co is as follows:-



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## LETTER FROM THE BOARD

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### THE JV PARTNER

The JV Partner is the only approved organization of the Red Cross Society of China Commercial Industry Branch to implement, organize and carry out the Freeman Caring Businesses under the network of the Freeman Stations in various local communities. Currently, the Red Cross Society of China has over 50 local and trade branches with its headquarter stationed in Beijing, China. The JV Partner, with the assistance of the Red Cross Society of China, targets to establish 5,000, 6,000, 9,000 Freeman Stations in first, second and third year of operations respectively.

### THE PRINCIPAL ACTIVITIES OF THE COMPANY

Freeman is an investment holding company and its subsidiaries are principally engaged in provision of finance, securities trading, insurance business, property holding and investment holding. Since the acquisition of the Cinergy Holdings Limited in November 2006, the Group has commenced its insurance brokerage business in Hong Kong and currently has over 100 insurance agents in business. In July 2007, the Group submitted its initial application for license to conduct long term life insurance business in Hong Kong. The Group will further expand its insurance and financial services business by emerging into the PRC market through the establishment of the various Freeman Stations in PRC.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

After completion of its incorporation, the JV Co will become a non-wholly owned subsidiary of the Company. The future earnings of the JV Co will be incorporated into the consolidated income statement of the Group subject to deduction of the minority interests. Similarly, the assets and liabilities of the JV Co will be included in the Group's consolidated balance sheet subject to deduction of the minority interests and any other accounting adjustments such as reconciliation of the different accounting policies between the Group and the JV Co, if any.

The Board has been actively considering and exploring new business opportunities so as to strengthen the Group's business and revenue base. The Directors believe that entering into the JV Agreement will provide valuable business opportunities to further expand the Group's existing insurance brokerage and financial services business. Having the Freeman Stations to be allocated in the prime locations of various local communities of over 30 provinces and municipalities in PRC will substantially increase the Group's points of sales for our future insurance and financial services business in China and strengthen our customer base. The investment in the JV Co will also bring synergy to existing insurance and financial related businesses which are based in Hong Kong currently. In addition, the diversified Freeman Caring Businesses will also bring potentials to the Group to develop any new business and further enhance our revenue base. Taking into account the above-mentioned factors, the Board is of the view that entering into the JV Agreement is in the interest and benefit of Freeman and its shareholders as a whole.

Yours faithfully  
For and on behalf of the Board  
**FREEMAN CORPORATION LIMITED**  
**Kwok Wai Ming**  
*Executive Director*



## 1. RESPONSIBILITY STATEMENT

The 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 the circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the directors, the chief executive of the Company or any of their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### (i) Long positions in the Shares

Name of Director	Beneficial owner	Interest of controlled corporation	Interest of spouse	Total	Approximate percentage of shareholding
Yang Fan Shing, Andrew	30,000,000	396,000,000 <i>Note 1</i>	2,000,000	428,000,000	6.57%
Kwok Wai Ming	22,500,000	–	–	22,500,000	0.35%

**(ii) Short positions in the Shares**

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate percentage of shareholding</b>
Yang Fan Shing, Andrew	Interest of controlled corporation	200,000,000	3.07%

*Notes:*

1. These Shares represent Shares held by Parkson Group Limited in which Dr. Yang Fan Shing, Andrew, beneficially owns the entire issued share capital.
2. For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 6,519,312,473 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## (i) Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding
Willie International Holdings Limited (Note 1)	Interest of controlled corporation	520,618,000	7.99%
Forefront Group Limited (Note 2)	Interest of controlled corporation	405,128,000	6.21%
Parkson Group Limited (Note 3)	Beneficial owner	396,000,000	6.07%
Unity Investments Holdings Limited (Note 4)	Beneficial owner	386,532,000	5.93%
Liu Lai Shim, Regina	Beneficial owner and/or interest of spouse and/or interest of controlled corporation	428,000,000 (Note 5)	6.57%

*Notes:*

- The shares of Willie International Holdings Limited (stock code: 273) are listed on the main board of the Stock Exchange.
- The shares of Forefront Group Limited (stock code: 885) are listed on the main board of the Stock Exchange.
- Parkson Group Limited, the entire issued share capital of which is beneficially owned by Dr. Yang Fan Shing, Andrew, is interested in 396,000,000 Shares. Dr. Yang Fan Shing, Andrew is one of the directors of Parkson Group Limited.
- The shares of Unity Investments Holdings Limited (stock code: 913) are listed on the main board of the Stock Exchange.
- These Shares represent 2,000,000 Shares currently held by Ms. Liu Lai Shim, Regina, the wife of Dr. Yang Fan Shing, Andrew, an executive Director and chairman of the Company, 30,000,000 Shares currently held by Dr. Yang Fan Shing, Andrew and 396,000,000 Shares currently held by Parkson Group Limited which entire issued share capital is held by Dr. Yang Fan Shing and therefore Ms. Liu Lai Shim, Regina is deemed to have such interest in the Shares.
- For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 6,519,312,473 Shares in issue as at the Latest Practicable Date.

## (ii) Short positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding
Parkson Group Limited	Beneficial owner	200,000,000	3.07%
Liu Lai Shim, Regina	Interest of Spouse	200,000,000	3.07%

*Notes:* For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 6,519,312,473 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

#### 4. COMPETING INTERESTS

There is no contract or arrangement entered into by any member of the Group, subsisting as at the date hereof in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

#### 5. SERVICE CONTRACTS

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

#### 6. LITIGATION

On 22 November 2004, Cinergy Holdings Limited (“CHL”) and Cinergy Financial Services Limited (“CFSL”), both of which were subsequently acquired by the Group in November 2006 and now being indirectly owned subsidiaries of the Company, entered into a cooperation agreement (“Co-operation Agreement”) with an authorized life insurer and investment adviser (the “Insurer”). CHL agreed to, inter alia, provide agency services to the Insurer and to distribute and sell life and investment linked financial products of the Insurer. On 7 January 2005, CFSL entered into a general agency agreement with the Insurer as a general agent of the Insurer.

Under the terms and conditions of the Co-operation Agreement, the Insurer has provided certain special and general loans to CHL which amounted to approximately HK\$9.48 million and HK\$10.20 million respectively as at 28 February 2007.

A dispute over the Co-operation Agreement between CHL and CFSL with the Insurer has arisen whereby CHL and CFSL claimed, inter alia, the Insurer for the material breach of the terms of the said agreements and the Insurer counterclaimed CHL and CFSL, inter alia, for repayment of the loans mentioned above. On 30 May 2006, the parties therein agreed to take the matter to the Hong Kong International Arbitration Centre for final adjudication and arbitration. At the Latest Practicable Date, the arbitration is still in progress and the Directors are of the opinion that the arbitration shall have no material adverse effect to the business and operation of the Group.

Save as disclosed above, as at Latest Practicable Date, neither the Company nor other members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. MISCELLANEOUS

- (i) The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26th Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (ii) The secretary and qualified accountant of the Company is Mr. Ngai Wai Kin who is a member of the Hong Kong Institute of Certified Public Accountants.