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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)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

ACQUISITION OF HENNABUN

The Board announces that on 25 November 2008, FFSL, a wholly-owned subsidiary of the Company, as the purchaser entered into the S&P Agreement with Equity Spin as the vendor, pursuant to which FFSL agreed to purchase and Equity Spin agreed to sell the Sale Shares for a consideration of HK\$105.8 million. The Sale Shares represent approximately 79.46% of the existing issued share capital of Hennabun. The consideration for the Hennabun Shares Acquisition shall be satisfied by the issue of the FCL Convertible Note by the Company to Equity Spin, which on conversion will represent approximately 49.6% of the issued capital of the Company as enlarged by the conversion. Conversion rights under the FCL Convertible Note will be restricted such that the number of Conversion Shares to be issued (including the Shares held by the Noteholder and parties acting in concert with it) on the conversion date shall not exceed 29.9% (or such other amount that is 0.1% less than the level for triggering a mandatory general offer as specified in the Takeovers Code) of the then issued capital of the Company as enlarged by such conversion.

On the same day, FFSL as the subscriber entered into the CN Subscription Agreement with Hennabun, pursuant to which FFSL agreed to subscribe and Hennabun agreed to issue the Hennabun Convertible Note in a principal amount of HK\$250 million with the conversion price of HK\$0.08 per Hennabun Conversion Share, subject to adjustments. Upon full conversion of the Hennabun Convertible Note, a total of 3,125,000,000 Hennabun Conversion Shares will be issued, representing approximately 38.68% of the issued share capital of Hennabun as enlarged by the issue of the Hennabun Conversion Shares, which, together with the Sale Shares, FFSL would own a total of approximately 87.41% of Hennabun upon full conversion.

Completion of the Hennabun Shares Acquisition and completion of the Hennabun Convertible Note Subscription are not inter-conditional.

The Hennabun Shares Acquisition and/or the Hennabun Convertible Note Subscription constitute very substantial acquisitions of the Company under Chapter 14 of the Listing Rules. The S&P Agreement and the CN Subscription Agreement together with the transactions contemplated thereunder will be subject to, amongst other things, the approval of the Shareholders by poll at the EGM.

GENERAL

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, amongst other things, the S&P Agreement and the CN Subscription Agreement.

A circular will be despatched to the Shareholders in accordance with the requirements of the Listing Rules which will contain, amongst other things, details of the S&P Agreement and the CN Subscription Agreement together with the transactions thereunder and the notice of the EGM.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:40 a.m. on 25 November 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange from 9:30 a.m. on 11 December 2008.

THE S&P AGREEMENT

Date : 25 November 2008

Parties : (a) FFSL (as purchaser), a wholly-owned subsidiary of the Company

(b) Equity Spin (as vendor), which is wholly owned by Mr. Chuang

(c) Mr. Chuang (as guarantor)

Equity Spin is a company incorporated in the BVI with limited liability. It is principally engaged in investment holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Equity Spin and Mr. Chuang is a third party independent of the Company and connected persons of the Company.

Assets to be acquired

Pursuant to the terms and conditions of the S&P Agreement, FFSL agreed to purchase or procure the purchase of and Equity Spin agreed to sell or procure the sale of the Sale Shares, representing approximately 79.46% of the issued share capital of Hennabun.

Hennabun is a company incorporated in the BVI with limited liability. Hennabun Group is engaged in the provision of financial services including security brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment. The consolidated net assets value shown in the 30 September 2008 Hennabun Adjusted Accounts was approximately HK\$266.3 million.

Consideration

The consideration for the Hennabun Shares Acquisition is HK\$105.8 million and shall be satisfied by FFSL procuring that the Company issues the FCL Convertible Note in the principal amount of HK\$105.8 million to Equity Spin.

As soon as practicable after completion of the Hennabun Shares Acquisition, FFSL will appoint accountants to prepare the Hennabun Completion Accounts. Mr. Chuang and Equity Spin represented and warranted to FFSL that the net assets value of the Hennabun Group as at the Completion Date as shown in the Hennabun Completion Accounts shall not be less than HK\$200 million. Equity Spin shall pay by bank draft to FFSL 79.46% of the shortfall if any (being the percentage interest the Company is acquiring in Hennabun) between (i) the net assets value of the Hennabun Group as at the Completion Date ("Completion NAV") and (ii) HK\$200 million on a dollar for dollar basis within 10 business days from the finalization of the Hennabun Completion Accounts. Equity Spin and Mr. Chuang have confirmed that if the Completion NAV turns out to be a net liability that figure shall be treated as a positive figure ("New Completion NL"), and they shall pay to FFSL 79.46% of the sum of the New Completion NL and HK\$ 200 million.

The consideration for the Hennabun Shares Acquisition was determined after arm's length negotiations between the Company and Equity Spin based on normal commercial terms with reference to 30 September 2008 Hennabun Adjusted Accounts and the aforesaid warranties by Mr. Chuang and Equity Spin. Accordingly, the Directors are of the view that the terms of the Hennabun Shares Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Principal Terms of the FCL Convertible Note

The principal terms of the FCL Convertible Note are summarized as follows:

Issuer	:	the Company
Principal Amount	:	HK\$105,800,000
Conversion Price	:	HK\$0.11 per Conversion Share (subject to adjustments)
Adjustments	:	the conversion price will be subject to adjustments in certain events, including, amongst other things, share consolidation, share subdivision, capitalization, capital distribution and rights issue
Denomination	:	HK\$1,000,000

- Transferability : the FCL Convertible Note cannot be transferred without the prior written consent of the Company and cannot be assigned
- Coupon Rate : the FCL Convertible Note does not bear any interest
- Maturity Date : the third anniversary following the date of issue of the FCL Convertible Note
- Conversion Shares : on the basis of the conversion price of HK\$0.11 per Conversion Share, a total of 961,818,181 Conversion Shares will be issued upon full conversion of the FCL Convertible Note. The Conversion Shares shall upon issue rank *pari passu* in all respects with the Shares
- Voting : the Noteholder will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being a Noteholder
- Listing : no application will be made for the listing of the FCL Convertible Note on the Stock Exchange or any other stock exchange
- Conversion Rights : conversion rights are exercisable at any time from the date of issue of the FCL Convertible Note up to (and excluding) the commencement of the seven calendar day period ending on (and including) the maturity date
- Redemption and Repurchase : the Company may at any time elect to redeem the whole or in part at 100% of the principal amount of the FCL Convertible Note. The Company may also elect to repurchase in whole or in part at 100% of the principal amount of the FCL Convertible Note. The noteholder does not have any right to require the Company to redeem or repurchase the FCL Convertible Note
- Conversion Restriction : conversion rights under the FCL Convertible Note will be restricted such that the number of Conversion Shares to be issued (including the Shares held by the Noteholder and parties acting in concert with it) on the conversion date shall not exceed 29.9% (or such other amount that is 0.1% less than the level for triggering a mandatory general offer as specified in the Takeovers Code) of the then issued capital of the Company as enlarged by such conversion

Conversion Shares

As at the date of this announcement, the Capital Reorganization has become effective and there are 977,317,496 Shares in issue. Upon full conversion of the FCL Convertible Note at the conversion price of HK\$0.11 per Conversion Share, a total of 961,818,181 Conversion Shares will be issued. The Conversion Shares represent:

- (1) approximately 98.41% of the issued share capital of the Company as at the date of this announcement; and
- (2) approximately 49.6% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the FCL Convertible Note.

An application will be made by the Company to the Listing Committee for the listing of and permission to deal in the Conversion Shares. The Conversion Shares will be allotted and issued under a specific mandate to be granted to the Directors by the Shareholders at the EGM. The Conversion Shares, when issued, will rank *pari passu* in all respects with the Shares on the date of the issue of the Conversion Shares.

Conversion Price

The conversion price of HK\$0.11 per Conversion Share represents:

- (i) a premium of 10% to the par value of HK\$0.1 per Share, adjusted to reflect the effects of the Capital Reorganization;
- (ii) a discount of approximately 88.6% to the audited net assets value attributable to equity Shareholders of HK\$0.97 per Share as at 31 March 2008, adjusted to reflect the effects of the Capital Reorganization;
- (iii) a premium of 10% to the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the Last Trading Day, adjusted to reflect the effects of the Capital Reorganization;
- (iv) a premium of 10% to the average closing price of HK\$0.1 per Share based on the closing price as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day, adjusted to reflect the effects of the Capital Reorganization; and
- (v) a premium of 10% to the average closing price of HK\$0.1 per Share based on the closing price as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day, adjusted to reflect the effects of the Capital Reorganization.

Expenses to be incurred in relation to the issue of the FCL Convertible Note will be insignificant. The net price per Conversion Share will be approximately HK\$0.11.

Conditions Precedent of the S&P Agreement

Pursuant to the terms and conditions of the S&P Agreement, completion of the Hennabun Shares Acquisition will be subject to satisfaction or where relevant waiver of the following conditions:

- (i) a due diligence investigation on Hennabun Group having been completed to the satisfaction of FFSL at its sole discretion;
- (ii) the Listing Committee granting listing of and permission to deal in the Conversion Shares;
- (iii) the passing by the Shareholders of resolutions to approve the S&P Agreement, the transactions contemplated thereunder including the issue of the FCL Convertible Note and the Conversion Shares upon the exercise of conversion rights thereunder in accordance with the Listing Rules;
- (iv) the approval by the Securities and Futures Commission under S.132 of the SFO for the change in "substantial shareholder" (as defined under the SFO) of certain subsidiaries of Hennabun including Chung Nam Securities Limited, CU Corporate Finance Limited, Chung Nam Commodities Limited and Radland International Limited as a result of the S&P Agreement and transaction contemplated thereunder;
- (v) all other consents or approval of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required for the entry into and the implementation of the S&P Agreement having been obtained, all filings with any relevant governmental authorities or other relevant third parties in Hong Kong or elsewhere which are required for the entering into and the implementation of the S&P Agreement having been made;
- (vi) the passing by shareholders of Hennabun of resolutions to approve the S&P Agreement and the transactions contemplated thereunder, if required; and
- (vii) the Capital Reorganization becoming effective.

If the conditions precedent of the S&P Agreement have not been fulfilled (or waived by FFSL save that FFSL cannot waive the conditions precedent of the S&P Agreement referred to (ii), (iii), (iv), (v) and (vi)) on or before 5:00 p.m. on 25 November 2009 (or such other date as FFSL and Equity Spin may agree in writing) and FFSL gives notice to terminate the S&P Agreement, the S&P Agreement shall terminate.

The Capital Reorganization became effective after 4:11 p.m. on 25 November 2008 so condition (vii) above has been satisfied.

Completion

Completion of the Hennabun Shares Acquisition shall take place at 11:00 a.m. on the third business day after the date on which all of the conditions precedent shall have been satisfied or waived by FFSL (or such other time and date as may be agreed between FFSL, Mr. Chuang and Equity Spin). Upon completion of the Hennabun Shares Acquisition, FFSL will hold 3,937,133,333 ordinary shares of Hennabun, representing approximately 79.46% of the entire issued share capital of Hennabun, and Hennabun will become an indirect non wholly-owned subsidiary of the Company.

Effects on the Shareholding Structure of the Company

The table sets out (i) the existing shareholding structure of the Company, (ii) the shareholding structure of the Company on enlarged basis upon full conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note, (iii) the shareholding structure of the Company on enlarged basis upon partial conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note and (iv) the shareholding structure of the Company on enlarged basis upon full conversion of the FCL Convertible Note and assuming Equity Spin fully exercises the conversion right of the FCL Convertible Note and holds all of the Conversion Shares.

	Existing Shareholding		Upon full conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note (Note 1)		Upon partial conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note (Note 2)		Upon full conversion of the FCL Convertible Note and assuming that Equity Spin fully exercises the conversion right of the FCL Convertible Note and holds all the Conversion Shares (Note 3)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity Spin	-	-	579,801,567	29.9	416,858,675	29.9	961,818,181	49.6
Directors' interests								
Dr. Yang Fan Shing, Andrew	9,660,000	1.0	9,660,000	0.5	9,660,000	0.7	9,660,000	0.5
Ms. Kwok Wai Ming	4,668,000	0.5	4,668,000	0.2	4,668,000	0.3	4,668,000	0.2
	<u>14,328,000</u>	1.5	<u>14,328,000</u>	0.7	<u>14,328,000</u>	1.0	<u>14,328,000</u>	0.7
Public Shareholders	<u>962,989,496</u>	98.5	<u>1,345,006,110</u>	69.4	<u>962,989,496</u>	69.1	<u>962,989,496</u>	49.7
Total	<u>977,317,496</u>	100.0	<u>1,939,135,677</u>	100.0	<u>1,394,176,171</u>	100.0	<u>1,939,135,677</u>	100.0

Notes:

1 It is assumed that (a) Equity Spin exercises the conversion right of the FCL Convertible Note to the maximum number of the Conversion Shares as may be specified in the Takeovers Code as being the level without triggering a mandatory general offer; (b) the remaining FCL Convertible Note is transferred to and fully converted into Conversion Shares by public Shareholders; (c) there will be no change in the shareholding held by Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming; and (d) there will be no change in the issued share capital of the Company save for the full conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note.

- 2 *It is assumed that (a) Equity Spin exercises the conversion right of the FCL Convertible Note to the maximum number of the Conversion Shares as may be specified in the Takeovers Code as being the level without triggering a mandatory general offer; (b) the remaining FCL Convertible Note is held by Equity Spin and is not transferred to public Shareholders; (c) there will be no change in the shareholding held by Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming; and (d) there will be no change in the issued share capital of the Company save for the partial conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note.*
- 3 *It is assumed that (a) Equity Spin fully exercises the conversion right of the FCL Convertible Note; (b) there will be no change in the shareholding held by Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming; and (c) there will be no change in the issued share capital of the Company save for the full conversion of the FCL Convertible Note. Pursuant to the terms and conditions of the FCL Convertible Note, the noteholder's conversion rights under the FCL Convertible Note is restricted such that the number of Conversion Shares to be issued (including the Shares held by the noteholder and parties acting in concert with it) on the conversion date shall not exceed 29.9% (or such other amount that is 0.1% less than the level for triggering a mandatory general offer as specified in the Takeovers Code) of the then issued capital of the Company as enlarged by such conversion. Accordingly, this shareholding structure is for illustration purpose only.*

THE CN SUBSCRIPTION AGREEMENT

Date : 25 November 2008

Parties : (a) FFSL (as subscriber), a wholly-owned subsidiary of the Company
(b) Hennabun (as issuer)
(c) Mr. Chuang (as guarantor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Hennabun and Mr. Chuang is a third party independent of the Company and connected persons of the Company.

Pursuant to the CN Subscription Agreement, FFSL agreed to subscribe and Hennabun agreed to issue the Hennabun Convertible Note at an amount of HK\$250 million. The consideration for the Hennabun Convertible Note Subscription shall be paid in cash by FFSL to Hennabun upon completion of the Hennabun Convertible Note Subscription. The consideration will be financed by internal resources of the Group or any other source of funding which the Group may think appropriate at the time of completion of the Hennabun Convertible Note Subscription.

Principal Terms of the Hennabun Convertible Note

The principal terms of the Hennabun Convertible Note are summarized as follows:-

Issuer : Hennabun

Principal Amount : HK\$250,000,000

Conversion Price : HK\$0.08 per Hennabun Conversion Share (subject to adjustments)

- Adjustments : the conversion price will be subject to adjustments in certain events including share consolidation, share subdivision, capital distribution and share issues
- Denomination : HK\$1,000,000
- Transferability : the Hennabun Convertible Note cannot be transferred without the prior written consent of Hennabun and cannot be assigned
- Coupon Rate : the Hennabun Convertible Note bears an interest rate of 5% per annum for the first three years, and 7% per annum from the fourth year to maturity
- Maturity Date : the sixth anniversary following the date of issue of the Hennabun Convertible Note
- Conversion Shares : on the basis of the conversion price of HK\$0.08 per Hennabun Conversion Share, a total of 3,125,000,000 Hennabun Conversion Shares will be issued upon full conversion of the Hennabun Convertible Note. The Hennabun Conversion Shares shall upon issue rank *pari passu* in all respects with the then issued ordinary shares of Hennabun
- Voting : the holder of Hennabun Convertible Note will not be entitled to receive notices of, attend or vote at any meetings of Hennabun by reason only of being the holder of the Hennabun Convertible Note
- Listing : no application will be made for the listing of the Hennabun Convertible Note on the Stock Exchange or any other stock exchange
- Conversion Rights : conversion rights are exercisable at any time from the date of issue of the Hennabun Convertible Note up to and excluding the commencement of the seven calendar day period ending on (and including) the maturity date
- Conversion Condition : the exercise of conversion rights is conditional upon all consents or approval of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere if required or appropriate for the exercise of the Conversion Rights and the issue of the Hennabun Conversion Shares having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the exercise of the Conversion Rights and the issue of the Hennabun

Conversion Shares having been made (including but not limited to the approval of the Securities and Futures Commission under Section 132 of the Securities and Futures Ordinance for any change in "substantial shareholder" of the relevant member of the Hennabun Group, if required)

Redemption and Repurchase : Hennabun may at any time elect to redeem the whole or in part at 100% of the principal amount of the Hennabun Convertible Note together with interest accrued but unpaid. Hennabun may also elect to repurchase the whole or in part at 100% of the principal amount of the Hennabun Convertible Note with interest accrued but unpaid. The holder of the Hennabun Convertible Note does not have any right to require Hennabun to redeem or repurchase the Hennabun Convertible Note

Hennabun Conversion Shares

As at the date of this announcement, Hennabun has 4,954,633,333 ordinary shares in issue. Upon full conversion of the Hennabun Convertible Note at the conversion price of HK\$0.08 per Hennabun Conversion Share, a total of 3,125,000,000 Hennabun Conversion Shares will be issued. The Hennabun Conversion Shares represent:

- (1) approximately 63.07% of the issued share capital of Hennabun as at the date of this announcement; and
- (2) approximately 38.68% of the issued share capital of Hennabun as enlarged by the issue of the Hennabun Conversion Shares upon full conversion of the Hennabun Convertible Note, which, together with the Sale Shares, FFSL would own a total of approximately 87.41% of Hennabun upon full conversion.

Conversion Price

The conversion price of HK\$0.08 per Hennabun Conversion Share represents:

- (i) a premium of approximately 2.56% to the par value of HK\$0.078 per ordinary share of Hennabun; and
- (ii) a premium of approximately 48.15% to the consolidated net assets value attributable to equity shareholders of HK\$0.054 per ordinary share of Hennabun based on the 30 September 2008 Hennabun Adjusted Accounts.

The conversion price of HK\$0.08 per Hennabun Conversion Share was arrived at after arm's length negotiations between the Company and Hennabun after considering the consolidated net assets value attributable to equity shareholders per ordinary share of Hennabun Group derived from 30 September 2008 Hennabun Adjusted Accounts, the coupon rates of the Hennabun Convertible Note, and the state of affairs and prospect of Hennabun Group. The Directors consider the terms of the Hennabun Convertible Note to be fair and reasonable, and are in the interests of the Shareholders and the Company as a whole.

Conditions Precedent of the CN Subscription Agreement

Pursuant to the terms and conditions of the CN Subscription Agreement, completion of the Hennabun Convertible Note Subscription will be subject to satisfaction or where relevant waiver of the following conditions:

- (i) the passing by the Shareholders of a resolution to approve the CN Subscription Agreement and the transactions contemplated thereunder including the Hennabun Convertible Note Subscription in accordance with the Listing Rules;
- (ii) all other consents or approvals of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which are required for the entry into and the implementation of the CN Subscription Agreement having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong or elsewhere if required for the entering into and the implementation of the CN Subscription Agreement having been made;
- (iii) the passing by shareholders of Hennabun of a resolution to approve the issue of the Hennabun Convertible Note and the issue of the Hennabun Conversion Shares thereunder;
- (iv) the Capital Reorganization becoming effective; and
- (v) the due diligence investigation on Hennabun Group to be carried out having been completed to the satisfaction of FFSL in its sole discretion.

If the conditions precedent of the CN Subscription Agreement have not been fulfilled (or waived by FFSL save that FFSL cannot waive the conditions precedent of CN Subscription Agreement referred to in (i), (ii) and (iii) on or before 5:00 p.m. on 30 January 2009 (or such other date as FFSL and Hennabun may agree in writing), the CN Subscription Agreement shall terminate.

The Capital Reorganization became effective after 4:11 p.m. on 25 November 2008 so condition (iv) above has been satisfied.

Completion

Completion of the Hennabun Convertible Note Subscription will take place at 11:00 a.m. on the third business day after the date on which all of the conditions precedent of the CN Subscription Agreement shall have been satisfied or waived by FFSL (or such other time and date as the parties may agree).

EFFECTS ON SHAREHOLDING STRUCTURE OF HENNABUN

Completion of the Hennabun Shares Acquisition and of the Hennabun Convertible Note Subscription are not inter-conditional. The tables below set out the effects of the Hennabun Shares Acquisition and the Hennabun Convertible Note Subscription on the shareholding structure of Hennabun in three different scenarios:

- (A) Assuming completion of both the Hennabun Shares Acquisition and the Hennabun Convertible Note Subscription take place

	Existing shareholding		Upon completion of the Hennabun Shares Acquisition		Upon completion of the Hennabun Convertible Note Subscription and the full conversion of the Hennabun Convertible Note	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity Spin	3,937,133,333	79.46	-	-	-	-
FFSL	-	-	3,937,133,333	79.46	7,062,133,333	87.41
Heritage International Holdings Limited	150,000,000	3.03	150,000,000	3.03	150,000,000	1.86
Unity Investments Holdings Limited	124,000,000	2.50	124,000,000	2.50	124,000,000	1.53
Radford Capital Investment Limited	25,500,000	0.52	25,500,000	0.52	25,500,000	0.31
Other shareholders of Hennabun	718,000,000	14.49	718,000,000	14.49	718,000,000	8.89
Total	<u>4,954,633,333</u>	100.00	<u>4,954,633,333</u>	100.00	<u>8,079,633,333</u>	100.00

- (B) Assuming completion of the Hennabun Shares Acquisition takes place but completion of the Hennabun Convertible Note Subscription does not take place

	Existing shareholding		Upon completion of the Hennabun Shares Acquisition	
	No. of Shares	%	No. of Shares	%
Equity Spin	3,937,133,333	79.46	-	-
FFSL	-	-	3,937,133,333	79.46
Heritage International Holdings Limited	150,000,000	3.03	150,000,000	3.03
Unity Investments Holdings Limited	124,000,000	2.50	124,000,000	2.50
Radford Capital Investment Limited	25,500,000	0.52	25,500,000	0.52
Other shareholders of Hennabun	718,000,000	14.49	718,000,000	14.49
Total	<u>4,954,633,333</u>	100.00	<u>4,954,633,333</u>	100.00

- (C) Assuming completion of the Hennabun Convertible Note Subscription takes place but completion of the Hennabun Shares Acquisition does not take place

	Existing shareholding		Upon completion of the Hennabun Convertible Note Subscription and the full conversion of the Hennabun Convertible Note	
	No. of Shares	%	No. of Shares	%
Equity Spin	3,937,133,333	79.46	3,937,133,333	48.73
FFSL	-	-	3,125,000,000	38.68
Heritage International Holdings Limited	150,000,000	3.03	150,000,000	1.86
Unity Investments Holdings Limited	124,000,000	2.50	124,000,000	1.53
Radford Capital Investment Limited	25,500,000	0.52	25,500,000	0.31
Other shareholders of Hennabun	718,000,000	14.49	718,000,000	8.89
Total	4,954,633,333	100.00	8,079,633,333	100.00

N.B. 1: Save for FFSL, all of the shareholders of Hennabun are third parties independent of the Company and connected persons of the Company.

N.B. 2: Heritage International Holdings Limited, Unity Investments Holdings Limited and Radford Capital Investment Limited are companies listed on the Stock Exchange. As at the date of this announcement, their respective shareholdings in the Company are approximately 5.02%, 7.44 % and 5.39% of the issued share capital of the Company.

N.B. 3: Other shareholders of Hennabun comprise of 8 entities which are individual investors, institutional investors and companies listed on the Stock Exchange. None of these shareholders held more than 8% of the issued share capital of Hennabun as at the date of this announcement.

N.B. 4: The above calculations assume there is no change in issued share capital of Hennabun from the date of this announcement to the date of completion of the Hennabun Shares Acquisition and the date of exercise of conversion rights under the Hennabun Convertible Note.

IMPLICATION OF THE LISTING RULES

As certain of the applicable percentage ratios prescribed under Rule 14.07 of the Listing Rules exceed 100%, the Hennabun Shares Acquisition and/or the Hennabun Convertible Note Subscription constitute very substantial acquisitions of the Company under Chapter 14 of the Listing Rules. The Hennabun Shares Acquisition and the CN Subscription Agreement together with the transactions contemplated thereunder will be subject to, amongst other things, the approval of the Shareholders at the EGM.

The Company through its wholly-owned subsidiary which is a money lender entered into financing agreements with Sun Chung Nam Finance Limited, which is an indirect wholly-owned subsidiary of Hennabun including but not limited to the recent loan facility in the principal amount of HK\$45 million as referred to in the Company's announcement dated 12 September 2008 and circular dated 26 September 2008.

As at the date of this announcement, Unity Investments Holdings Limited, Radford Capital Investment Limited and Heritage International Limited held 72,705,299 Shares, 52,676,800 Shares and 49,044,000 Shares respectively, representing approximately 7.44%, 5.39% and 5.02% of the issued share capital of the Company respectively. Unity Investments Holdings Limited, Radford Capital Investment Limited and Heritage International Holdings Limited, being shareholders of Hennabun, have material interest in the transactions contemplated under the S&P Agreement and the CN Subscription Agreement, and they are required to abstain from voting at the EGM.

REASONS FOR THE ACQUISITION OF HENNABUN

The Company is an investment holding company and its subsidiaries are principally engaged in the insurance business, provision of finance, trading of securities, property holding and investment.

In June 2006, the Company acquired a convertible note issued by Hennabun, details of which were set out in the announcement of the Company dated 2 May 2006 and circular to the Shareholders dated 24 May 2006. Subsequently, the Company exercised conversion rights thereunder which resulted in the Company holding approximately 48.96% of the then issued share capital of Hennabun. On 9 July 2007, the Company disposed of its entire interest in Equity Spin, the then wholly-owned subsidiary of the Company owning 48.96% of Hennabun, and assigned all of its interest in a shareholder's loan in the amount of approximately HK\$161.3 million for an aggregate cash consideration of HK\$50 million, details of which were stated in the announcement dated 29 June 2007 and circular dated 20 July 2007. In the circular dated 20 July 2007, it was stated that "the Board considers the disposal of non-performing investment arm will enable the Company not only to strengthen the financial base but also to focus on the insurance business and the financial services business". The Company did intend to keep its money lending business only, and accordingly has kept its money lenders license, reflecting that it wants to retain its financial service business.

When the Company decided to dispose of its interest in Hennabun Group in June 2007, the Company's plans at that stage was to pursue insurance business. An application was made to the Commissioner of Insurance for Classes A and C of long term business license and in order to achieve that, the Company hired a consultant to assist in the application process. The drastic change of the global financial market and the associated tightening of regulatory requirements has prompted the Company into believing that approval for its application for Class A and C of long term business licenses would not be forthcoming. The Company therefore considers that to re-acquire the interest in Hennabun Group will be beneficial to the Company and hence the Shareholders. The Company is aware that the latest financial statements of Hennabun Group records substantial losses, Hennabun Group is not alone in this financial crisis. The Company is familiar with the business operations of Hennabun Group and is confident that once the financial market stabilizes, with the further injection of capital by way of the Hennabun Convertible Note, the Company expects there will be a turnaround in Hennabun Group's business. The Company is proposing to acquire a controlling interest in Hennabun Group through an issue of the FCL Convertible Note and the acquisition price is substantially discounted from its net assets value. Upon completion of the Hennabun Shares Acquisition, the Group will have an equity pick up of not less than HK\$50 million. The subscription of the Hennabun Convertible Note shall mean that the Hennabun Group will have the necessary capital for business development. Eventually, the Company

has the right to convert the Hennabun Convertible Note into further equities in the Hennabun, or to earn interest and collect the principal on the notes as they fall due.

For the above stated reasons, the Directors consider that the terms of the S&P Agreement and the CN Subscription Agreement are entered into upon normal commercial terms and that the terms of the S&P Agreement and the CN Subscription Agreement together with transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT HENNABUN GROUP

Hennabun is a company incorporated in the BVI with limited liability. Hennabun Group is engaged in provision of financial services including security brokerage, commodity trading, money lending, margin financing and corporate finance advisory as well as proprietary trading and direct investment. The table below sets out certain financial information which is prepared in accordance with Hong Kong Financial Reporting Standards regarding Hennabun Group based on its audited accounts for the two years ended 31 December 2007 and its unaudited consolidated accounts for the nine months ended 30 September 2008:-

	For the year ended 31 December		For the nine months ended 30 September
	2006	2007	2008
	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(unaudited)
Net loss before tax	99,280.8	92,415.8	99,979.8
Net loss after tax	99,624.4	92,415.8	101,009.8
Net assets value	13,037.1	68,621.3	310,611.5

Subsequent to 30 September 2008, Hennabun Group effected the Hennabun Disposals as follows: (i) on 6 November 2008, Hennabun Group disposed of a wholly-owned subsidiary, Hero City Trading Limited ("Hero City"), to its related party at approximately HK\$31.2 million which is equal to the net assets value of Hero City on the disposal date. As at the disposal date, Hero City held a deposit paid of US\$4 million (equivalent to approximately HK\$31.2 million) for 40% interest in a PRC land use right; (ii) on 10 October 2008, the Group transferred the entire interest of a wholly-owned subsidiary, Sky Vision Enterprises Limited ("Sky Vision"), to the three shareholders of Hennabun for approximately HK\$44.6 million which was satisfied by an exchange of 409,633,334 ordinary shares of Hennabun. As at the disposal date, Sky Vision held a deposit paid of US\$5 million (equivalent to approximately HK\$39 million) for purchase of an aircraft and a deposit paid of EUR0.5 million (equivalent to approximately HK\$5.5 million) for conversion work of the aircraft. Taking into account of the financial effects of the Hennabun Disposals, the consolidated total assets and the consolidated total liabilities of the Hennabun Group as shown in the unaudited consolidated balance sheet of the Hennabun Group as at 30 September 2008 would have been reduced by approximately HK\$75.8 million and approximately HK\$31.2 million respectively, thus resulting in a decrease of approximately HK\$44.6 million in the unaudited consolidated net assets value of the Hennabun Group as at 30 September 2008. Accordingly, the unaudited consolidated net assets value of the Hennabun Group as at 30 September 2008 was approximately HK\$266.3 million as shown in the 30 September 2008 Hennabun Adjusted Accounts (which has taken into account the Hennabun Disposals). There is no financial effect

arising from the Hennabun Disposals on the Hennabun Group's unaudited consolidated income statement of the Hennabun Group for the nine months ended 30 September 2008. As at 30 September 2008, there was an interest free loan of approximately HK\$61 million owed to a company controlled by Mr. Chuang (the "Chuang Loan"). The Chuang Loan will remain outstanding after completion of the Hennabun Shares Acquisition and the Hennabun Convertible Note Subscription. After completion of Hennabun Shares Acquisition, Hennabun and its subsidiaries will become subsidiaries of the Company. Mr. Chuang being a director of Hennabun will become a connected person of the Company. Accordingly, after completion of Hennabun Shares Acquisition, the Chuang Loan will constitute a connected transaction which is exempted from reporting, announcement and independent shareholders' approval under Rule 14A.65(4) of the Listing Rules, as it is provided by Mr. Chuang (through a company controlled by him) for the benefit of the Group on normal commercial terms (or better to the Group), and there is no security over the assets of the Group granted in respect of the Chuang Loan. Detailed financial information on Hennabun Group will be included in the circular to the Shareholders.

On signing of the CN Subscription Agreement, Hennabun shall appoint two persons nominated by FFSL as directors of Hennabun and such other members of Hennabun Group as may be specified by FFSL.

GENERAL

The Hennabun Shares Acquisition and/or the Hennabun Convertible Note Subscription constitute very substantial acquisitions of the Company under Chapter 14 of the Listing Rules. The S&P Agreement and the CN Subscription Agreement together with the transactions contemplated thereunder will be subject to, amongst other things, the approval of the Shareholders by poll at the EGM.

A circular will be despatched to the Shareholders in accordance with the Listing Rules which will contain, amongst other things, details of the S&P Agreement and the CN Subscription Agreement together with the transactions thereunder and the notice of the EGM.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:40 a.m. on 25 November 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange from 9:30 a.m. on 11 December 2008.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“30 September 2008 Hennabun Adjusted Accounts”	unaudited consolidated accounts of Hennabun Group as at 30 September 2008 (including consolidated balance sheet and consolidated income statement only), which was prepared under Hong Kong Financial Reporting Standards, being adjusted to take into account the Hennabun Disposals
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day(s)”	any day except Saturdays and Sundays on which banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“Capital Reorganization”	the proposed capital reorganization of the Company involving proposed reduction of par value of the Share from HK\$0.1 each to HK\$0.02 each ("Reduced Shares") and proposed share consolidation of every five Reduced Shares into one Share, details of which are contained in the circular of the Company dated 25 August 2008 and which became effective after 4:11 p.m. on 25 November 2008
“CN Subscription Agreement”	the subscription agreement entered into between FFSL, Mr. Chuang and Hennabun on 25 November 2008, pursuant to which FFSL agreed to subscribe for and Hennabun agreed to issue Hennabun Convertible Note at an amount of HK\$250 million
“Company”	Freeman Corporation Limited (民豐控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion Date”	the date on which completion of the Hennabun Shares Acquisition takes place
“concert parties”	the meaning ascribed thereto under the Takeovers Code
“connected person(s)”	the meaning ascribed thereto under the Listing Rules

“Conversion Shares”	the Shares to be issued by the Company upon conversion of the FCL Convertible Note pursuant to the terms and conditions of the FCL Convertible Note
“Directors”	the directors of the Company
“EGM”	extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, to approve, amongst other things, the S&P Agreement and the CN Subscription Agreement together with the transactions contemplated thereunder
“Equity Spin”	Equity Spin Investments Limited, a company incorporated in the BVI with limited liability and is principally engaged in investment holdings
“FCL Convertible Note”	the convertible note in the principal amount of HK\$105.8 million to be issued by the Company pursuant to the terms and conditions of the S&P Agreement
“FFSL”	Freeman Financial Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hennabun”	Hennabun Capital Group Limited (formerly named as Hennabun Management International Limited before 25 May 2007), a company incorporated in the BVI
“Hennabun Convertible Note”	a convertible note in the principal amount of HK\$250 million to be issued pursuant to the terms and conditions of the CN Subscription Agreement
“Hennabun Convertible Note Subscription”	the subscription for the Hennabun Convertible Note by FFSL at cash consideration of HK\$250 million pursuant to the CN Subscription Agreement
“Hennabun Completion Accounts”	the audited consolidated income statement of Hennabun Group for the period from 30 September 2008 to the Completion Date’s previous month end and the consolidated balance sheet of the Hennabun Group as at the Completion Date’s previous month end date

“Hennabun Conversion Shares”	the ordinary shares to be issued by Hennabun upon conversion of the Hennabun Convertible Note pursuant to the terms and conditions of Hennabun Convertible Note
"Hennabun Disposals"	the disposal of two subsidiaries by Hennabun since 30 September 2008, details of which are set out in the section headed "Information about the Hennabun Group" of this announcement
“Hennabun Group”	Hennabun and its subsidiaries
“Hennabun Shares Acquisition”	the purchase of the Sale Shares from Equity Spin by FFSL pursuant to the S&P Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	24 November 2008, being the last trading day for the Shares on the Stock Exchange before the release of this announcement
“Listing Committee”	the sub-committee of the board of directors of the Stock Exchange responsible for listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chuang”	Mr. Chuang Eugene Yue-chien, beneficial owner of Equity Spin
“Noteholder(s)”	the holder(s) of the FCL Convertible Note
“Sale Shares”	3,937,133,333 fully paid ordinary shares of US\$0.01 each of Hennabun, representing approximately 79.46% of the entire issued share capital of Hennabun, to be sold by Equity Spin to FFSL pursuant to the S&P Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	fully paid ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

“S&P Agreement”	the sale and purchase agreement entered into between FFSL, Mr. Chuang and Equity Spin on 25 November 2008, pursuant to which FFSL agreed to purchase and Equity Spin agreed to sell the Sale Shares for a consideration of HK\$105.8 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

Unless otherwise specified in this announcement, translation of US\$ into HK\$ is made in this announcement, for illustration purpose only, at the rate of US\$1 to HK\$7.8. No representation is made that any amount in US\$ could have been or could be converted at such rate or any other rates.

By order of the Board of
FREEMAN CORPORATION LIMITED
 Mr. Lo Kan Sun
Managing Director

Hong Kong, 10 December 2008

As at the date hereof, the Board comprises the following Directors:-

Executive Directors:

Dr. Yang Fan Shing, Andrew (Chairman)
Mr. Lo Kan Sun (Managing Director)
Ms. Kwok Wai Ming
Ms. Au Shuk Yee, Sue
Mr. Scott Allen Phillips

Alternate Director to Ms. Kwok Wai Ming:

Ms. Chong Wing Sze

Non-executive Director:

Mr. Kwong Wai Tim, William

Independent Non-executive Directors:

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