

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make 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 announcement.



Hopefluent Group Holdings Limited

合富輝煌集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 733)

DISCLOSEABLE TRANSACTION

The Board wishes to announce that on 5 November 2009, the Purchaser (a wholly-owned subsidiary of the Company) as purchaser, the Vendor as vendor and the Guarantor as guarantor entered into the Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire share capital of the Target Company at a total consideration of HK\$88,200,000 which will be satisfied by the Company's issue of the 42,000,000 Shares at the issue price of HK\$2.10 per Share to the Vendor on completion of the Agreement. The Guarantor will guarantee the due and punctual performance by the Vendor of all her obligations under the Agreement.

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.

THE ACQUISITION

The Board wishes to announce that on 5 November 2009, the Purchaser (a wholly-owned subsidiary of the Company) as purchaser, the Vendor as vendor and the Guarantor as guarantor entered into the Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the entire share capital of the Target Company at a total consideration of HK\$88,200,000 which will be satisfied by the Company's issue of the Consideration Shares to the Vendor on completion of the Agreement. The Guarantor will guarantee the due and punctual performance by the Vendor of all her obligations under the Agreement.

THE AGREEMENT

Summarised below are the principal terms of the Agreement:

Date

5 November 2009

Parties

Purchaser: the Purchaser

Vendor: the Vendor

Guarantor: the Guarantor

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired

The Sale Share will comprise the issued share of the Target Company held by the Vendor representing the entire issued share capital of the Target Company.

The Target Company is an investment holding company wholly-owned by the Vendor as at the date of this announcement. For further information on the Target Group, please refer to the section headed "Information on the Target Group" below.

Consideration

The consideration of HK\$88,200,000 for the Acquisition will be satisfied by the issue of the Consideration Shares by the Company to the Vendor on completion of the Acquisition. The consideration was arrived at after arm's length negotiations between the Company and the other parties to the Agreement and was determined with reference to (i) the value of the commercial complex to be developed on the Project Property which is expected to be not less than RMB11,000 per square meter and (ii) the expected costs and expenses for the Acquisition.

The issue price of the Consideration Shares of HK\$2.10 per Consideration Share was determined after arm's length negotiations between the parties with reference to the recent market price of the Shares and the net asset value per Share as at 31 December 2008 of HK\$1.59, and represents (i) a premium of approximately 32.08% to the net asset value per Share as at 31 December 2008; (ii) a premium of approximately 6.06% to the closing price of HK\$1.98 per Share as quoted on the Stock Exchange on the Last Trading Day; (iii) a premium of approximately 4.48% to the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange on the last five trading days up to and including the Last Trading Day; and (iv) a premium of approximately 0.48% to the average closing price of HK\$2.09 per Share as quoted on the Stock Exchange on the last ten trading days up to and including the Last Trading Day.

The Board considers the issue price of HK\$2.10 of the Consideration Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares represent approximately 14.19% of the issued share capital of the Company as at the date of this announcement and approximately 12.43% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. The Consideration Shares will be issued pursuant to the general mandate granted by the shareholders of the Company to the Directors on 5 June 2009. The said general mandate entitles the Company to issue a total nominal value of not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue as at the date of the grant of the said general mandate, which amounts to 59,200,000 new Shares. As at the date of this announcement, no Shares have been issued by the Company pursuant to the above general mandate.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

This announcement is for information purpose only, it does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.

Conditions

The Acquisition is conditional upon, inter alias,:

- (a) the Vendor having provided to the Purchaser a confirmation and other related documents (in substance and form satisfactory to the Purchaser) confirming that the Vendor has completed the Target Group Corporate Reorganisation and it indirectly holds or controls 13.26% effective interest in the Project Company, including the duly completed legal documents in relation to the transfer of the equity interest and all the consents, permits and approvals necessary for the transfer;
- (b) the Purchaser having completed the due diligence investigation on the Target Group and the Project Property, and is satisfied with the results of the due diligence investigation;
- (c) if applicable under the Listing Rules, the Company having issued an announcement pursuant to the Listing Rules and issued a circular to its Shareholders to convene an extraordinary general meeting of the Company for the purpose of approving the terms and conditions of the Agreement and the transactions contemplated thereunder and approving the authorization of the allotment and issue of the Consideration Shares;
- (d) the Board having approved the terms and conditions of the Agreement, the transactions contemplated thereunder and the authorization of the allotment and issue of the Consideration Shares;
- (e) the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Consideration Shares;

- (f) the Vendor having complied with all the applicable laws and regulations in Hong Kong, the PRC and other jurisdictions (if applicable) and the rules of the government regulatory authorities, and having obtained all the necessary approval, consent and/or waiver from the governmental regulatory authorities and third party(ies) for the performance of all the terms of the Acquisition set out in the Agreement;
- (g) the Purchaser having received from the Vendor a legal opinion (in substance and form satisfactory to the Purchaser) issued by a firm of lawyers qualified to practice law in the PRC acceptable to the Purchaser covering such matters the Purchaser considers necessary. All costs and expenses in respect of the PRC legal opinion will be borne by the Vendor;
- (h) the Vendor having provided to the Purchaser a legal opinion (in substance and form satisfactory to the Purchaser) issued by a firm of lawyers qualified to practice law in the BVI acceptable to the Purchaser covering such matters the Purchaser considers necessary. All costs and expenses in respect of the BVI legal opinion will be borne by the Vendor;
- (i) the Purchaser being satisfied in its absolute discretion that all outstanding shareholder's loans due from the Target Group to the Vendor, the Guarantor and their respective associates have been capitalized or assigned to the Purchaser or any company nominated by the Purchaser at a nominal consideration and there is no shareholder's loan due from the Target Group to the Vendor, the Guarantor and their respective associates;
- (j) the Purchaser having received a valuation report (in substance and form satisfactory to the Purchaser) from a property valuer of international repute on the value of the Project Property confirming that the commercial complex to be developed on the Project Property is not less than RMB11,000 per square meter;
- (k) the Vendor and the Target Company having executed a deed of tax indemnity (in substance and form satisfactory to the Purchaser);
- (l) the shareholders of Guangzhou Bao Lai having executed a shareholders' agreement (in substance and form satisfactory to the Purchaser) in relation to the management of Guangzhou Bao Lai; and
- (m) the warranties set out in the Agreement remaining true and correct in all material respects as at the date of completion and as if repeated at all time between the date of the Agreement and the date of completion.

The Purchaser may waive in writing any of the conditions specified above (save and except conditions (c), (d) and (e)) at any time. If all the conditions specified above have not been satisfied or waived by 31 March 2010 (or such later date to be agreed between the parties to the Agreement in writing), then the Agreement shall lapse on 1 April 2010 and have no further effect and the parties shall be released from all their respective obligations under the Agreement save and except for any antecedent breach.

Completion

Completion shall take place on a date which is the fifth (5th) Business Day after the date on which the conditions precedent are satisfied or waived or such other date as the Vendor and the Purchaser may agree in writing.

Post completion matter

The Purchaser shall pay to the Vendor within five Business Days from the date of completion of the Acquisition:

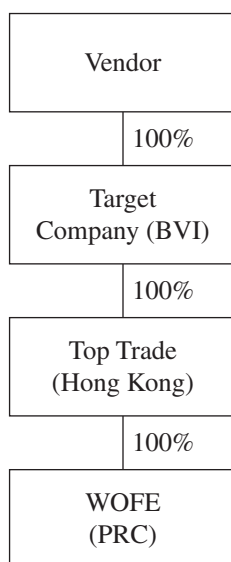
- (a) HK\$3,000,000 being the entire registered capital of the WOFE;
- (b) RMB1,300,000 being the registered capital of Guangzhou Bao Lai contributed by the WOFE; and
- (c) RMB663,000 being the registered capital of the Project Company contributed by Guangzhou Bao Lai.

INFORMATION ON THE TARGET GROUP

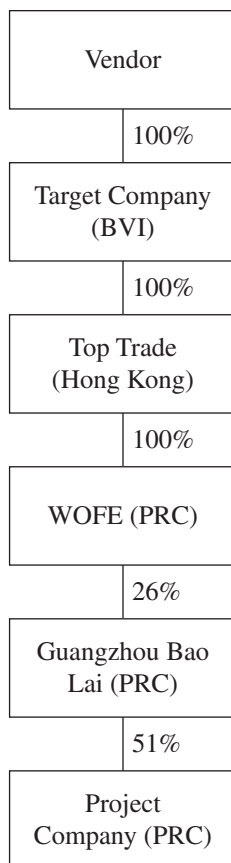
Corporate structure

As at the date of this announcement, the Target Group only consists of the Target Company, Top Trade and WOFE. The Target Company is an investment holding company incorporated under the laws of the BVI on 1 July 2008. Top Trade is an investment holding company incorporated under the laws of Hong Kong on 22 May 2009. WOFE is a wholly foreign-owned enterprise established under the laws of the PRC on 31 August 2009.

The corporate structure of the Target Group as at the date of this announcement is as follows:



Prior to the completion of the Acquisition and as part of the Target Group Corporate Reorganisation, WOFE will acquire 26% of the equity interest in Guangzhou Bao Lai which, in turn, holds 51% equity interest in the Project Company. The corporate structure of the Target Group immediately before completion of the Acquisition will be as follows:



Guangzhou Bao Lai is a sino-foreign joint venture enterprise established under the laws of the PRC on 4 August 2006 with a registered capital of RMB5,000,000 (fully paid up). The Project Company is a limited company established under the laws of the PRC on 6 July 2006 with a registered capital of RMB5,000,000 (fully paid up). The scope of business of the Project Company includes property development and the provision of property information consultancy services, real estate agency services and investment consultancy services.

As part of the Target Group Corporate Reorganisation, the Project Company will acquire the Project Property. Under the current development plan, the Project Company will construct a commercial complex on the Project Property.

Financial information

As the Target Company, Top Trade and WOFE were newly incorporated, no financial statements have been prepared for these companies. The financial information of Guangzhou Bao Lai and the Project Company is as follows:

Guangzhou Bao Lai

Audited net asset value as at 31 December 2008 : RMB5,000,000

Audited net profit before and after tax for the year ended 31 December 2008 : RMB0

Audited net profit before and after tax for the year ended 31 December 2007 : RMB0

Note: Guangzhou Bao Lai has not commenced any business and therefore no profits have been generated.

Project Company

Audited net profit before and after tax for the year ended 31 December 2008 : RMB0

Audited net profit before and after tax for the year ended 31 December 2007 : RMB0

REASONS FOR THE ACQUISITION

The principal activities of the Group comprise provision of real estate agency services and provision of property management services in the PRC. The Board has always been optimistic about the economy of the PRC and the prospect of the PRC property market. Under the current development plan, the Project Company will construct a commercial complex on the Project Property. The Vendor and the Purchaser have agreed that not less than 7,000 square meters of the commercial complex to be constructed on the Project Property will be allocated to the Purchaser which will be used by the Group as its head office. The Board is of the view that the Project Property is situated in a prime location in Guangzhou, PRC and is a quality asset of the Group for its own use and investment. The Directors believe that the Acquisition is in the best interest of the Company and the terms of the Agreement are in normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company under the Agreement
“Agreement”	agreement dated 5 November 2009 made between the Purchaser as purchaser, the Vendor as vendor, and the Guarantor as guarantor in relation to the sale and purchase of the entire issued share capital of the Target Company
“associates”	as defined in the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (not a Saturday) on which licensed banks in Hong Kong are generally open for business during their normal business hours
“BVI”	British Virgin Islands
“Company”	Hopefluent Group Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange
“Consideration Shares”	being 42,000,000 new Shares to be issued and allotted at the issue price of HK\$2.10 per Share, credited as full paid, by the Company to the Vendor to satisfy the consideration for the Acquisition under the Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Bao Lai”	廣州保來環保科技有限公司 (in English, for identification purpose only, Guangzhou Bao Lai Recycle Technology Company Limited), a sino-foreign joint venture enterprise established under the laws of the PRC
“Guarantor”	Ms. Feng Juan (馮娟), the legal and beneficially owner of the Vendor
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company

“Last Trading Day”	4 November 2009, the trading day immediately preceding the date of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“Project Company”	廣州宏昇房地產實業有限公司 (in English, for identification purpose only, Guangzhou Hong Sheng Real Estate Company Limited), a limited liability company established under the laws of the PRC
“Project Property”	a piece of land located at Section A of Luxury Residential and Commercial District, Zhu Jiang Xin Cheng, Tianhe District, Guangzhou City, Guangdong Province, PRC (中國廣東省廣州市天河區珠江新城高級商住A區) with a gross floor area of approximately 72,882 square meters
“Purchaser”	Hope Land Realty Investment Limited, a company incorporated under the laws of the BVI and a wholly-owned subsidiary of the Company
“Sale Share”	one share of US\$1.00 each in the share capital of the Target Company representing the entire issued share capital of the Target Company immediately before completion of the Acquisition, and are legally and beneficially owned by the Vendor
“Shares”	shares of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Firstnet Group Limited, a company incorporated under the laws of the BVI and the entire issued share capital of which is held by the Vendor as at the date of this announcement
“Target Group”	as at the date of the Agreement, the Target Group consists of the Target Company, Top Trade and WOFE; immediately after completion of the Target Group Corporate Reorganisation, the Target Group consists of the Target Company, Top Trade, WOFE, Guangzhou Bao Lai and the Project Company

“Target Group Corporate Reorganisation”	the corporate restructuring to be conducted by the Target Group which includes the acquisition of Guangzhou Bao Lai, the Project Company and the Project Property
“Vendor”	Apex Honour Investments Limited, a company incorporated under the laws of the BVI and the vendor under the Agreement
“WOFE”	廣州歸創環保科技有限公司 (in English, for identification purpose only, Guangzhou Gui Chuang Recycle Technology Company Limited), a wholly foreign-owned enterprise established under the laws of the PRC and owned by Top Trade
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

By order of the Board
Hopefluent Group Holdings Limited
FU Wai Chung
Chairman

Hong Kong, 5 November 2009

As at the date of this announcement, the Board comprises four executive directors, namely Mr. FU Wai Chung, Ms. NG Wan, Ms. FU Man and Mr. LO Yat Fung and three independent non-executive directors, namely, Mr. LAM King Pui, Mr. NG Keung and Mrs. WONG LAW Kwai Wah, Karen.