



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

ACQUISITION OF FURTHER INTEREST IN ASIA ASSET PROPERTY SERVICES LIMITED

The Board is pleased to announce that on 10 August 2005, Sino Estate, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with Rich People pursuant to which Sino Estate would increase its interest in Asia Asset from 40% to 80%. The consideration payable by Sino Estate for the Sale Shares will be HK\$4,000,000 which will be satisfied in cash.

The Acquisition pursuant to the Acquisition Agreement constitutes a discloseable transaction under the Listing Rules as some of the Percentage Ratios are over 5% but less than 25%. A circular containing further information on the Acquisition will be despatched to the Shareholders as soon as possible.

ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are as follows:

Date
10 August 2005

Parties:
Vendor: Rich People Investments Limited. Rich People is an investment holding company incorporated in the British Virgin Islands. Apart from its interest in Asia Asset, Rich People does not have any subsidiaries or hold any other investment. Prior to Completion, Rich People owns 60% of the issued share capital of Asia Asset. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Rich People and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Purchaser: Sino Estate

Assets involved

Asia Asset is a limited liability company incorporated in Hong Kong with its issued share capital owned as to 60% by Rich People and 40% by Sino Estate. Subject to the terms and conditions of the Acquisition Agreement, Sino Estate will acquire the Sale Shares, representing 40% of the issued share capital of Asia Asset, from Rich People. Immediately after Completion, Sino Estate will be interested in a total of 80% of the entire issued share capital of Asia Asset.

Consideration

The Consideration payable by Sino Estate for the Sale Shares will be HK\$4,000,000. The Consideration will be satisfied in cash, funded by internal resources of the Group and will be payable on Completion by Sino Estate to Rich People.

The Consideration and the terms and conditions of the Acquisition Agreement have been negotiated by the parties on an arm's length basis. The Consideration was determined by reference to the unaudited consolidated turnover and unaudited consolidated profit after taxation of Asia Asset as at 30 June 2005 and the business prospect of the Asia Asset Group.

Conditions

The Acquisition Agreement is not subject to any conditions precedent and there are no restrictions on the subsequent sale of the Sale Shares.

Completion

Completion will take place within one month after the execution of the Acquisition Agreement.

INFORMATION ON ASIA ASSET GROUP

Asia Asset is a limited liability company incorporated in Hong Kong on 27 February 1998. It is an investment holding company of two wholly-owned subsidiaries, namely, Asia Asset Property Services (Shanghai) Co. Ltd. and Asia Asset Property Services (Guangzhou) Co. Ltd., which are engaged in the provision of property management, consultancy, agency and other related services on the People's Republic of China.

Based on the management accounts of the Asia Asset Group, as at 30 June 2005, the unaudited consolidated net asset value of Asia Asset which is the subject of the Acquisition was HK\$8,342,433.

Based on the management accounts of the Asia Asset Group, the unaudited consolidated net profit both before and after taxation of Asia Asset for the six months ended 30 June 2005 were HK\$2,675,659 and HK\$2,429,517 respectively. The audited net loss of Asia Asset for the year ended 31 March 2004 and for the year ended 31 March 2003 were HK\$1,406,837 and HK\$5,295,881 respectively. The management accounts of the Asia Asset Group were prepared in accordance with the accounting principles generally accepted in Hong Kong.

BUSINESS OF THE GROUP

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the provision of comprehensive real estate agency services mainly in Guangzhou as well as various areas of the Guangdong province and other cities in the PRC. The Group focuses its business on the primary residential property market. It provides a range of quality services to property developers and buyers which include real estate agency services for the primary residential property market, development, marketing and planning consultancy services and conveyancing services. The Group also provides real estate agency services relating to transactions in the secondary property market in Guangzhou, Shanghai and Foshan.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been focusing on consolidating its primary and secondary property business. However, it is also the strategy of the Group to make good use of its existing customer base to build a closer cooperative relationship with property developers, with the aim of further developing the Group's property related business and expanding its secondary business to widen the Group's income stream. The Directors believe that the business of the Asia Asset Group can help to build such cooperative relationship with property developers. As such, the Directors further believe that the Acquisition is in line with the Group's business strategy and will enhance the Group's profit generating ability. Upon Completion, Asia Asset will be consolidated in the accounts of the Company.

The Directors, including the independent non-executive Directors, consider that the terms and conditions of the Acquisition Agreement are on normal commercial terms and are fair and reasonable and the terms of the Acquisition Agreement are in the interest of the Company and the Shareholders as a whole.

The Acquisition pursuant to the Acquisition Agreement constitutes a discloseable transaction under the Listing Rules as some of the Percentage Ratios are over 5% but less than 25%. A circular containing further information on the Acquisition will be despatched to the Shareholders as soon as possible.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares by Sino Estate from Rich People pursuant to the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 10 August 2005 entered into between Sino Estate and Rich People
"Asia Asset"	Asia Asset Property Services Limited, a limited liability company incorporated in Hong Kong on 27 February 1998 which is a jointly controlled entity of the Company and owed as to 40% by Sino Estate and the remaining 60% by Rich People
"Asia Asset Group"	Asia Asset and its subsidiaries
"Board"	the board of Directors
"Company"	Hopefluent Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on The Stock Exchange of Hong Kong Limited
"Completion"	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Acquisition Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration for the Sale Shares in the amount of HK\$4,000,000 payable by Sino Estate pursuant to the Acquisition Agreement
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Percentage Ratios"	has the meaning set out in Rule 14.04(9) of the Listing Rules
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
"Rich People"	Rich People Investments Limited, a company incorporated in the British Virgin Islands
"Sale Shares"	2,129,200 shares of HK\$1.00 each in the issued share capital of Asia Asset to be acquired by Sino Estate pursuant to the Acquisition Agreement
"Shareholder(s)"	the shareholder(s) of the Company
"Sino Estate"	Sino Estate Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
"HK\$"	Hong Kong dollars
"%"	per cent.

By order of the Board
HOPEFLUENT GROUP HOLDINGS LIMITED
FU Wai Chung
Chairman

Hong Kong, 10 August 2005

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