



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)

PLACING OF EXISTING SHARES TO VALUE PARTNERS LIMITED

TOP-UP SUBSCRIPTION OF NEW SHARES

AND

RESUMPTION OF TRADING

On 17 January 2005, Fu's Family entered into the FF Placing Agreement with Value Partners and the Subscription Agreement with the Company respectively. Pursuant to the FF Placing Agreement, Fu's Family agreed to place 14,000,000 existing Shares at the Placing Price to the Funds, the funds under management by Value Partners. The Placing Price was determined after arm's length negotiation between Fu's Family, China-net Holding Ltd., Best Hunt Group Limited and Value Partners and represents (i) a discount of approximately 1.43% of the closing price of HK\$1.40 per Share quoted on the Stock Exchange on the Last Trading Date and a discount of 2.13% over the average closing price of HK\$1.41 per Share on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date. Pursuant to the Subscription Agreement, Fu's Family conditionally agreed to subscribe for 14,000,000 new Shares at a price of HK\$1.38 per Share. The subscription price of the new Shares of HK\$1.38 per Share, being equivalent to the Placing Price, was determined after arm's length negotiation between Fu's Family and the Company with reference to the Placing Price. The 14,000,000 existing Shares represent approximately 7.78% of the existing issued share capital of the Company and approximately 7.22% of the issued share capital of the Company as enlarged by the Subscription.

On 17 January 2005, China-net Holding Ltd. entered into the CN Placing Agreement with Value Partners pursuant to which China-net Holding Ltd. agreed to place 2,000,000 existing Shares at the Placing Price to the Funds. The 2,000,000 existing Shares represent approximately 1.11% of the existing issued share capital of the Company and approximately 1.03% of the issued share capital of the Company as enlarged by the Subscription.

On 17 January 2005, Best Hunt Group Limited entered into the BH Placing Agreement with Value Partners pursuant to which Best Hunt Group Limited agreed to place 2,000,000 existing Shares at the Placing Price to the Funds. The 2,000,000 existing Shares represent approximately 1.11% of the existing issued share capital of the Company and approximately 1.03% of the issued share capital of the Company as enlarged by the Subscription.

The Company intends to use the estimated net proceeds of the Subscription of approximately HK\$18,500,000 as working capital of the Group for operating activities.

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30a.m. on Tuesday, 18 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30a.m. on Wednesday, 19 January 2005.

FF PLACING AGREEMENT

The FF Placing Agreement was made between Fu's Family and Value Partners on 17 January 2005 pursuant to which Fu's Family agreed to place and Value Partners agreed to procure the Funds to purchase 14,000,000 existing Shares at the Placing Price. On the same day, the Company and Fu's Family entered into the Subscription Agreement whereby the Company conditionally agreed to issue and allot and Fu's Family conditionally agreed to subscribe for 14,000,000 new Shares at HK\$1.38 per Share.

Parties

- (1) Fu's Family, a substantial shareholder of the Company, is owned as to 70% by Mr. Fu, 15% by Ms. Ng and 15% by Ms. Fu. Prior to the Placing and Subscription, Fu's Family owned 91,800,000 Shares representing 51% of the existing issued share capital of the Company. Upon completion of the Placing and Subscription, Fu's Family will own 91,800,000 Shares representing approximately 47.32% of the issued share capital of the Company as enlarged by the Subscription.
- (2) Value Partners, a company incorporated under the laws of the British Virgin Islands, will procure the Funds to purchase the 14,000,000 existing Shares. Prior to the Placing and Subscription, Value Partners held 5,092,000 Shares, representing 2.83% of the existing issued share capital of the Company. To the best knowledge and information of the Directors, Value Partners and the Funds are not connected persons (as defined in the Listing Rules) of the Company and are independent of and not connected with the Company and its connected persons.

Placing price

HK\$1.38 per Share. The Placing Price was determined after arm's length negotiation between Fu's Family, China-net Holding Ltd., Best Hunt Group Limited and Value Partners and represents (i) a discount of approximately 1.43% of the closing price of HK\$1.40 per Share quoted on the Stock Exchange on the Last Trading Date and a discount of 2.13% over the average closing price of HK\$1.41 per Share on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date.

Placing shares

14,000,000 existing Shares placed represented approximately 7.78% of the existing issued share capital of the Company and will represent approximately 7.22% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the FF Placing Agreement

The FF Placing Agreement is conditional upon the absence of any breach of the representations or warranties by Fu's Family set out in the FF Placing Agreement. Completion of the placing is to take place within two (2) business days from the date of the FF Placing Agreement or such other time, date and place as may be agreed by the parties thereto.

CN PLACING AGREEMENT

The CN Placing Agreement was made between China-net Holding Ltd. and Value Partners on 17 January 2005 pursuant to which China-net Holding Ltd. agreed to place and Value Partners agreed to procure the Funds to purchase 2,000,000 existing Shares at the Placing Price.

Parties

- (1) China-net Holding Ltd. is wholly owned by Mr. Fu. Prior to the Placing and Subscription, China-net Holding Ltd. owned 8,100,000 Shares representing 4.5% of the existing issued share capital of the Company. Upon completion of the Placing and Subscription, China-net Holding Ltd. will own 6,100,000 Shares representing approximately 3.14% of the issued share capital of the Company as enlarged by the Subscription.

- (2) Value Partners, who will procure the Funds to purchase the 2,000,000 existing Shares. To the best knowledge and information of the Directors, Value Partners and the Funds are not connected persons (as defined in the Listing Rules) of the Company and are independent of and not connected with the Company and its connected persons.

Placing price

HK\$1.38 per Share. The Placing Price was determined after arm's length negotiation between Fu's Family, China-net Holding Ltd., Best Hunt Group Limited and Value Partners.

Placing shares

2,000,000 existing Shares placed represented approximately 1.11% of the existing issued share capital of the Company and will represent approximately 1.03% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the CN Placing Agreement

The CN Placing Agreement is conditional upon the absence of any breach of the representations or warranties by China-net Holding Ltd. set out in the CN Placing Agreement. Completion of the placing is to take place within two (2) business day from the date of the CN Placing Agreement or such other time, date and place as may be agreed by the parties thereto.

BH PLACING AGREEMENT

The BH Placing Agreement was made between Best Hunt Group Limited and Value Partners on 17 January 2005 pursuant to which Best Hunt Group Limited agreed to sell and Value Partners agreed to procure the Funds to purchase 2,000,000 existing Shares at the Placing Price.

Parties

- (1) Best Hunt Group Limited is wholly owned by Mr. Lo. Prior to the Placing and Subscription, Best Hunt Group Limited owned 8,100,000 Shares representing 4.5% of the existing issued share capital of the Company. Upon completion of the Placing and Subscription, Best Hunt Group Limited will own 6,100,000 Shares representing approximately 3.14% of the issued share capital of the Company as enlarged by the Subscription.
- (2) Value Partners, who will procure the Funds to purchase the 2,000,000 existing Shares. To the best knowledge and information of the Directors, Value Partners and the Funds are not connected persons (as defined in the Listing Rules) of the Company and are independent of and not connected with the Company and its connected persons.

Placing price

HK\$1.38 per Share. The Placing Price was determined after arm's length negotiation between Fu's Family, China-net Holding Ltd., Best Hunt Group Limited and Value Partners.

Placing shares

2,000,000 existing Shares placed represented approximately 1.11% of the existing issued share capital of the Company and will represent approximately 1.03% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the BH Placing Agreement

The BH Placing Agreement is conditional upon the absence of any breach of the representations or warranties by Best Hunt Group Limited set out in the BH Placing Agreement. Completion of the placing is to take place within two (2) business day from the date of the BH Placing Agreement or such other time, date and place as may be agreed by the parties thereto.

SUBSCRIPTION AGREEMENT

The Subscription Agreement was made between Fu's Family and the Company on 17 January 2005 pursuant to which Fu's Family conditionally agreed to subscribe and the Company conditionally agreed to allot and issue 14,000,000 new Shares at the price of HK\$1.38 per Share.

Parties

- (1) Fu's Family.
- (2) The Company.

Price of the subscription shares

The subscription price of the new Shares of HK\$1.38 per Share, being equivalent to the Placing Price, was determined after arm's length negotiation between Fu's Family and the Company with reference to the Placing Price.

Subscription shares

14,000,000 new Shares to be subscribed, represents approximately 7.78% of the existing issued share capital of Company and approximately 7.22% of the issued share capital of Company as enlarged by the Subscription. These 14,000,000 new Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of issue and allotment of their issue.

Conditions of the subscription

Completion of the Subscription Agreement is conditional upon completion of the FF Placing Agreement and the listing of, and permission to deal in, all the new Shares being granted by the Stock Exchange.

Completion of the subscription

Completion of the Subscription Agreement shall take place on the business day following the day upon which all the conditions of the Subscription Agreement shall have been satisfied provided that the completion date shall not be later than 31 January 2005 (or such later time and/or date as the Company and Fu's Family may agree in writing).

If completion of the Subscription is extended beyond 14 days after the date of the FF Placing Agreement, the Subscription will constitute a connected transaction under the Listing Rules which will require the approval of independent shareholders of the Company and steps will be taken by the Company to ensure compliance with the Listing Rules. Further announcement(s) will be made by the Company if completion of the Subscription takes place after 31 January 2005.

Upon completion of the Placing and Subscription, Value Partners will own 23,092,000 Shares representing 11.90% of the issued share capital of the Company as enlarged by the Subscription and will, therefore, become a substantial shareholder of the Company.

APPLICATION FOR LISTING

Application will be made by the Company to the listing committee of the Stock Exchange for the grant of the listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholdings in the Company before and after the Placing and Subscription are summarised as follows:

	Before Placing and Subscription	%	After Placing but before Subscription	%	After Placing and Subscription	%
Fu's Family (1)	91,800,000	51.00	77,800,000	43.22	91,800,000	47.32
China-net Holding Ltd. (1)	8,100,000	4.50	6,100,000	3.39	6,100,000	3.14
Sub-total	99,900,000	55.50	83,900,000	46.61	97,900,000	50.46
Best Hunt Group Limited (2)	8,100,000	4.50	6,100,000	3.39	6,100,000	3.14
Value Partners Limited	5,092,000	2.83	23,092,000	12.83	23,092,000	11.90
Other shareholders	18,000,000	10.00	18,000,000	10.00	18,000,000	9.28
Public shareholders	48,908,000	27.17	48,908,000	27.17	48,908,000	25.22
Total issued share capital	180,000,000	100	180,000,000	100	194,000,000	100

Notes:

- (1) Fu's Family is owned as to 70% by Mr. Fu, 15% by Ms. Ng and 15% by Ms. Fu. China-net Holding Ltd. is wholly owned by Mr. Fu and therefore Fu's Family and China-net Holding Ltd are treated as parties acting in concert. The Shares of Fu's Family and China-net Holding Ltd. were subject to a locked-up period commenced on 23 June 2004 which was the latest practicable date prior to the printing of the prospectus of the Company dated 30 June 2004 and ended on 14 January 2005 which was the date falling at the end of the six-month period commenced on 15 July 2004 (the listing date of the Company). The locked-up arrangement has lapsed.
- (2) Best Hunt Group Limited is wholly owned by Mr. Lo and is not a party acting in concert with Fu's Family and China-net Holding Ltd..

USE OF PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds from the Subscription are about HK\$19,320,000. The Directors estimate that the net proceeds from the Subscription are about HK\$18,500,000 which will be used as working capital of the Group for operating activities. The price for each Placing Share is HK\$1.38 and the net proceeds to be raised per new Share under the Subscription will be about HK\$1.32. Other than the intended use stated above, there is no other specific usage for the net proceeds. Further announcement(s) will be made when the Company has decided on the specific application for the net proceeds from the Subscription as required by the Listing Rules.

REASONS FOR THE PLACING AND THE SUBSCRIPTION USE OF PROCEEDS

The Directors consider various ways of raising funds and concluded that the Placing and Subscription represent an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company and are the most appropriate means of raising funds in a timely manner given the existing stock market conditions in Hong Kong and the general economic environment.

The Company was listed on the Stock Exchange on 15 July 2004. The total net proceeds raised by the Company in its initial public offering were HK\$52,000,000. The Directors have confirmed that, as at the date of this announcement, the total outstanding unused proceeds, which have been placed in a bank as a fixed deposit, amount to HK\$23,000,000. The Directors have also confirmed that the proceeds which have been used, as at the date of this announcement, include HK\$6,000,000 for the expansion of primary real estate services; HK\$11,000,000 for the expansion of the secondary real estate sales network; HK\$2,000,000 for the promotion and marketing activities; HK\$2,000,000 for staff training programmes; HK\$3,000,000 for the enhancement of the Group's management information systems and HK\$5,000,000 as general working capital. The Directors have confirmed that no other fund raising exercise took place during the period between the date of listing of its shares on the Stock Exchange and the date of the FF Placing Agreement and Subscription Agreement.

GENERAL MANDATE

The new Shares will be issued pursuant to the general mandate granted by the shareholders of the Company to the Directors on 24 June 2004. As at the date of this announcement, no Shares have been issued by the Company pursuant to the above general mandate.

COMPANY'S PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the provision of comprehensive real estate agency services mainly in various areas of the Guangdong province and other cities in The People's Republic of China.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was suspended from 9:30a.m. on Tuesday, 18 January 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:30a.m. on Wednesday, 19 January 2005.

DIRECTORS OF THE COMPANY

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. Tsao Kwong Yung Peter, Mr. Ng Keung and Mr. Lam King Pui.

DEFINITIONS

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

"BH Placing Agreement"	a placing agreement dated 17 January 2005 made between Best Hunt Group Limited and Value Partners for the placing of 2,000,000 existing Shares at the Placing Price
"CN Placing Agreement"	a placing agreement dated 17 January 2005 made between China-net Holding Ltd. and Value Partners for the placing of 2,000,000 existing Shares at the Placing Price
"Company"	Hopefluent Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company; "Director" shall be construed accordingly
"FF Placing Agreement"	a placing agreement dated 17 January 2005 made between Fu's Family and Value Partners for the placing of 14,000,000 existing Shares at the Placing Price
"Funds"	the funds under management by Value Partners
"Fu's Family"	Fu's Family Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and is legally and beneficially owned as to 70% by Mr. Fu, 15% by Ms. Ng and 15% by Ms. Fu
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of The People's Republic of China
"Last Trading Date"	14 January 2005, being the last full trading day for the Shares before the date of the FF Placing Agreement, CN Placing Agreement and BH Placing Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placing"	the placing of 14,000,000 existing Shares by Fu's Family pursuant to the FF Placing Agreement, the placing of 2,000,000 existing Shares by China-net Holding Ltd. pursuant to the CN Placing Agreement and the placing of 2,000,000 existing Shares by Best Hunt Group Limited pursuant to the BH Placing Agreement
"Placing Price"	HK\$1.38 per Share
"Mr. Fu"	Mr. Fu Wai Chung, the chairman and executive Director
"Ms. Fu"	Ms. Fu Man, an executive Director
"Mr. Lo"	Mr. Lo Yat Fung, an executive Director
"Ms. Ng"	Ms. Ng Wan, an executive Director
"Shares"	shares of HK\$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription by Fu's Family for 14,000,000 new Shares pursuant to the Subscription Agreement
"Subscription Agreement"	a conditional subscription agreement dated 17 January 2005 made between Fu's Family and the Company for the subscription of 14,000,000 new Shares at HK\$1.38 per Share
"Value Partners"	Value Partners Limited, a company incorporated under the laws of the British Virgin Islands with limited liability whose principal business is fund management
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

By order of the board
Hopefluent Group Holdings Limited
Fu Wai Chung
Chairman

Hong Kong, 18 January 2005

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.