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## **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)**

### **PROPOSED ISSUE OF HK\$218,400,000 GUARANTEED EXCHANGEABLE BONDS DUE 2015 EXCHANGEABLE INTO ORDINARY SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED BY HOPEFLUENT PROPERTIES LIMITED**

The Company announces that after trading hours on 1 August 2012, the Issuer as issuer, the Subscribers as subscribers and the Company as guarantor have entered into a conditional Subscription Agreement, under which the Issuer agreed to issue and the Subscribers agreed to subscribe and pay for the Exchangeable Bonds due 2015 in an aggregate principal amount of HK\$218,400,000. The Exchangeable Bonds are guaranteed by the Company and exchangeable into ordinary shares of HK\$0.01 each in the issued share capital in the Company at the initial Exchange Price of HK\$2.40 per Share (subject to adjustments) at the option of the Bondholders and subject to and in accordance with the Terms and Conditions.

The initial Exchangeable Price is HK\$2.40 per Share, representing (i) a premium of approximately 13.21% over the closing price of HK\$2.12 per Share as quoted on the Hong Kong Stock Exchange of 1 August 2012 being the date on which the Subscription Agreement was signed; (ii) a premium of approximately 12.15% over the average of the closing price of HK\$2.14 per Share as quoted on the Stock Exchange for five Trading Days up to and including the date of Subscription Agreement; and (iii) a premium of approximately 10.45% over the average of the closing price of HK\$2.173 per Share as quoted on the Stock Exchange for 10 Trading Days up to and including the date of Subscription Agreement.

Assuming full exchange of the Exchangeable Bonds at the initial Exchange Price of HK\$2.40 per Share, the Exchangeable Bonds will be exchanged for approximately 91,000,000 Shares, representing approximately 19.45% of the issued share capital of the Company as at the date of this announcement and approximately 16.28% of the issued share capital of the Company as enlarged by the issue of the Exchange Shares. The Exchange Shares to be issued upon exchange of the Exchangeable Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant Exchange Date.

The estimated net proceeds from the Exchangeable Bond Issue, after deducting expenses including professional fees and other ancillary expenses, amount to approximately HK\$216,000,000. The Company shall use the proceeds from the issue of the Exchangeable Bonds for business expansion including the Group's mortgage referral and its related business; real estate online services; and general working capital.

The Exchange Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 16 May 2012. The Exchangeable Bond Issue is not subject to the approval of the Shareholders.

The Exchangeable Bond Issue constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, and is therefore subject to the reporting and announcement requirements.

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

1 August 2012

### **Parties**

- (1) The Issuer, a wholly-owned subsidiary of the Company
- (2) The Subscribers
- (3) The Company, the guarantor

## **Subscription**

Subject to the fulfillment of the conditions set out below in the section headed “Conditions precedent”, the Issuer has agreed to issue and the Subscribers have agreed to subscribe at the Completion for the Exchangeable Bonds in an aggregate principal amount of HK\$218,400,000 on the terms and subject to the conditions set out in the Subscription Agreement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save for an aggregate of 4,450,366 Shares held by the Subscribers as of the date of this announcement, each of the Subscribers is third party independent to the Company and is not connected person of the Company.

## **Conditions precedent**

The Completion is conditional upon satisfaction of the following conditions:

- (1) the Listing Committee of the Stock Exchange having granted approval (either unconditionally or if subject to conditions, such conditions being reasonably acceptable to the Subscribers and if required by the Stock Exchange for any of such conditions to be fulfilled or satisfied before completion, such conditions being fulfilled or satisfied before completion) for the listing of and permission to deal in the Exchange Shares and such listing and permission remaining in full force and effect and not subsequently being revoked or withdrawn;
- (2) the warranties in the Subscription Agreement remaining true, accurate and correct in all material respects;
- (3) all issued Shares remaining listed on, and the listing of such Shares not having been withdrawn from, the Stock Exchange not having indicated that it shall object to such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be expected to raise such objection;
- (4) there being no event existing or having occurred and no condition being in existence which would (had any Exchangeable Bonds already been issued) constitute an event of default;
- (5) there being no injunction, restraining order or order of similar nature by a governmental authority issued as of the Completion Date that could prevent or materially interfere with the consummation of the transactions contemplated under the Subscription Agreement;
- (6) each Subscribers in their sole and absolute determination being satisfied with their due diligence investigation in respect of the Group which includes, but is not limited to, an inspection and investigation as to:
  - (i) the financial, contractual, taxation and trading position of the Group;
  - (ii) the title of the Group to the premises and its assets; and
  - (iii) the material contracts of the Group; and

- (7) there having been delivered to each Subscriber a legal opinion, in form and substance reasonably satisfactory to such Subscriber, dated the Completion Date, of the Issuer's counsel addressed to such Subscriber as to the law under the Cayman Islands.

The Subscribers may at any time waive in whole or in part and conditionally or unconditionally any of the conditions precedent by notice in writing to the Issuer.

### **Termination**

- (1) If the condition precedent (1) set out in this announcement is not fulfilled or waived on or before 17 August 2012 or such later date as the Subscribers may extend by notice in writing or any of the conditions precedent in (2) to (7) set out in this announcement are not fulfilled or waived as at the Completion Date, the Company shall, within 5 Business Days of demand by the Subscribers, pay to the Subscribers liquidated damages in the amount of US\$150,000 and upon such payment, the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Subscription Agreement, except that (i) the surviving provisions in the Subscription Agreement shall continue in force following such termination; and (ii) the termination of the Subscription Agreement shall be without prejudice to the rights and liabilities of any party accrued prior to such termination.
- (2) Notwithstanding anything contained in the Subscription Agreement, the Subscribers may, by notice to the Issuer, terminate the Subscription Agreement at any time prior to the Completion Date in any of the following circumstances:
- (i) if any of the conditions precedent has not been satisfied or waived by the Subscribers;
  - (ii) if there shall have come to the notice of the Subscribers any breach of, or any event rendering untrue, inaccurate or incorrect in any respect, any of the warranties or any failure to perform any of the covenants, obligations or agreements of the Issuer and the Company in the Subscription Agreement;
  - (iii) if there shall occur any change nor any development or event involving a prospective change, in the financial or business condition, results of operations, earnings, business affairs, properties or prospects of the Company, the Issuer or the Group, which, in the opinion of the Subscribers, is material and adverse in the context of the issue and offering of the Exchangeable Bonds;
  - (iv) if there shall occur a suspension (for ten consecutive trading days) or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;
  - (v) if, in the opinion of the Subscribers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Stock Exchange and/or any other stock exchange on which the Issuer's securities are traded; (ii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong or (iii) a change or development involving a prospective change in taxation materially

affecting the Company, the Issuer, the Exchangeable Bonds and the Exchange Shares to be issued upon exchange of the Exchangeable Bonds or the transfer thereof;

- (vi) if, in the reasonable opinion of the Subscribers, there shall have been such a change, or any development involving a prospective change, in national or international financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or exchange controls or there shall have occurred an outbreak or escalation of hostilities or act of terrorism as would in its view be likely to prejudice materially the success of the offering and distribution of the Exchangeable Bonds or dealings in the Exchangeable Bonds in the secondary market; or
- (vii) if, in the reasonable opinion of the Subscribers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism or epidemic as would in its view be likely to prejudice materially the success of the offering and distribution of the Exchangeable Bonds or dealings in the Exchangeable Bonds in the secondary market.

## **PRINCIPAL TERMS OF THE EXCHANGEABLE BONDS**

The principal terms of the Exchangeable Bonds are summarised as follows:

Issuer	The Issuer
Subscriber	The Subscribers
Principal Amount	HK\$218,400,000
Issue Price	100% of the principal amount
Interest	The Exchangeable Bonds bear interest from and including the date of issue at the rate of 2.695% per 6-month period payable in arrear on 28 February and 31 August in each year (each an “ <b>Interest Payment Date</b> ”) with the first Interest Payment Date on 28 February 2013.
Exchange Right	Subject to and upon compliance with the Terms and Conditions, the Exchange Right in respect of an Exchangeable Bond may be exercised, at the option of the Bondholder thereof, at any time on or after the date of the issue of the Exchangeable Bonds up to the close of business on the Maturity Date or if notice requiring redemption has been given by the Bondholder pursuant to the Terms and Conditions then up to the close of business on the day prior to the giving of such notice.
Exchange Price	The initial Exchange Price is HK\$2.40 per Share. The initial Exchange Price which has been determined by the parties after arms’ length negotiations with reference to the recent Share price and future prospects of the Company.

The Exchange Price is subject to adjustment for, amongst other things, the Adjustment Events.

Compulsory Exchange	From the date which is the next day after the expiry of a 6-month period after the date of the issue of the Exchangeable Bonds, if the Current Market Price is higher than the Reference Price, the Subscribers shall, together with other Bondholders, during the period of 6 months after the Current Market Price of a Share first exceeds the Reference Price, exercise their Exchange Right such that an aggregate of HK\$48,000,000 in the principal amount of the Exchangeable Bonds shall have been exchanged for the Shares. In the event that the Subscribers cease to be holders of sufficient Exchangeable Bonds to achieve the foregoing, the Subscribers shall procure such other Bondholders as the Subscribers may in their absolute discretion decide to exercise and such Bondholders shall be obliged to exercise as the Subscribers so require their Exchange Rights such that an aggregate of HK\$48,000,000 in the principal amount of the Exchangeable Bonds shall have been exchanged for the Shares.
Ranking of Exchange Shares	The Exchange Shares to be issued upon exchange of the Exchangeable Bonds will be fully paid and rank pari passu in all respects with the Shares then in issue on the date the name of the holder of record of the number of Shares issuable upon exchange are registered as such in the register of members of the Company.
Redemption at Maturity	Unless previously exchanged or purchased and cancelled in the circumstances set out in the Terms and Conditions, the Issuer will redeem each Exchangeable Bond on the Maturity Date at its principal amount with a premium equal to 30% of the principal amount and accrued and unpaid interest thereon.
Redemption for Delisting or Change of Control	The Bondholder of each Exchangeable Bond will have the right at such Bondholder's option, to require the Issuer to redeem all, but not some only, of such Bondholder's Exchangeable Bonds at a redemption price equal to their principal amount together with a premium equal to 30% of the principal amount and interest accrued to the date fixed for redemption upon Delisting and the occurrence of a Change of Control.
Transferability	<p>The Exchangeable Bonds will be transferable to any person other than a Prohibited Person.</p> <p>Before any transfer of an Exchangeable Bond, such Bondholder shall notify the Issuer in accordance with the Terms and Conditions of its intention to transfer the Exchangeable Bond at least 5 Business Days before issue of notice of transfer for the proposed transfer.</p>

Form and Denomination	The Exchangeable Bonds will be issued in registered form and in the denomination of HK\$12,000,000 or the multiples thereof, save that if the outstanding amount of the Exchangeable Bonds to be issued is less than HK\$12,000,000, the Exchangeable Bonds may be issued in such amount.
Status	The Exchangeable Bonds constitute direct, unsubordinated, unconditional and subject to conditions unsecured obligations of the Issuer, and shall at all time rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Exchangeable Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and subject to conditions, at all time rank at least equally with all of the Issuer's other present and future senior, unsecured and unsubordinated obligations.
Negative Pledge	<p>So long as the Subscribers and its Affiliate together hold the Exchangeable Bonds with an aggregate principal amount of not less than HK\$43,680,000, each of the Issuer and the Company will not, and will ensure that none of their respective Subsidiaries will, amongst other things:</p> <ul style="list-style-type: none"> <li>(i) consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation except that the Bondholders are being notified;</li> <li>(ii) except with the prior written consent of each of the Subscribers, enter into any capital raising activity which would cause or result in the issue by the Company of any Share at an effective consideration of less than the Reference Price;</li> <li>(iii) except with the consent by the Subscribers, enter into any transaction which constitutes or would, if aggregate with other transaction constitute a very substantial acquisition or a very substantial disposal within the meanings of the Listing Rules;</li> <li>(iv) except with the consent by the Subscribers, change (i) the rights attaching to the Shares or the Shares falling to be issued upon exercise of the Exchange Rights, (ii) the nature or scope of the core business of the Issuer, the Company and/or their respective Subsidiaries in any material way, or (iii) the financial year end of the Issuer or the Company;</li> <li>(v) close the register of Shareholders of the Company unless required by relevant rules and law;</li> </ul>

- (vi) except with the prior consent of the Subscribers, directly or indirectly, engage in trading in shares, derivatives, options or other securities (save for in respect of hedging arrangements ordinarily entered into for the purposes of hedging interest rate or currency exposure), which in aggregate involves a monetary amount of more than HK\$50,000,000 or which would expose the Group to a loss or liability, whether actual or potential, of more than HK\$50,000,000; or
- (vii) breach its obligations under the Subscription Agreement.

**Listing**

No application will be made for the listing of the Exchangeable Bonds on any other stock exchange. Listing of, and permission to deal in, the Exchange Shares on the Stock Exchange will be sought.

**EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF EXCHANGE OF THE EXCHANGEABLE BONDS**

Assuming full exchange of the Exchangeable Bonds at the initial Exchange Price of HK\$2.40 per Share, the Exchangeable Bonds will be exchangeable for approximately 91,000,000 Shares, representing approximately 19.45% of the issued share capital of the Company as at the date of this announcement and approximately 16.28% of the issued share capital of the Company as enlarged by the issue of the Exchange Shares. The Exchange Shares to be issued upon exchange of the Exchangeable Bonds will rank pari passu in all respects with the Shares then in issue on the relevant Exchange Date.

The following table summarises the potential effects on the outstanding structure of the Company as a result of the Exchangeable Bond Issue (assuming full exchange of the Exchangeable Bonds):

<b>Shareholder</b>	<b>As at the date of this announcement</b>		<b>Immediately after the Exchangeable Bonds are fully exchanged into Shares at an exchange price of HK\$2.40</b>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares (Note 1)</i>	<i>%</i>
Fu's Family Limited & Mr. Fu Wai Chung (Note 2)	165,719,664	35.41%	165,719,664	29.65%
Mutual Fund Populus	29,180,320	6.24%	29,180,320	5.22%
Public shareholders	268,598,915	57.40%	268,598,915	48.05%
Bondholders (Note 3)	4,450,366	0.95%	95,450,366	17.08%
<b>Total</b>	<b>467,949,265</b>	<b>100%</b>	<b>558,949,265</b>	<b>100%</b>



*Notes:*

1. The number of shares and the respective shareholding percentage upon full exchange of the Exchangeable Bonds are for illustration purposes only.
2. Mr. Fu Wai Chung's interests include 164,959,180 shares held through Fu's Family Limited, 380,242 shares held by himself and 380,242 shares held by his spouse, Ms. Ng Wan, who is also the director of the Company.
3. As at the date of this announcement, 4,450,366 shares are held by the Subscribers.

## **REASON FOR THE ISSUE OF EXCHANGEABLE BONDS AND USE OF PROCEEDS**

The Directors consider that the issue and change of the Exchangeable Bonds will enlarge and diversify the shareholder base of the Company whilst providing an opportunity to raise further capital. The Directors consider that the terms and conditions of the Subscription Agreement are made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the execution of Exchangeable Bond Issue is in the interest of the Company and the Shareholders as a whole.

The estimated net proceeds from the Exchangeable Bond Issue, after deduction of relevant expenses, including professional fees and other ancillary expenses amount to approximately HK\$216,000,000. The Company shall use the proceeds from the issue of the Exchangeable Bonds for business expansion including the Group's mortgage referral and its related business; real estate online services; and general working capital.

## **GENERAL MANDATE FOR THE ISSUE OF THE EXCHANGE SHARES**

At the annual general meeting of the Company held on 16 May 2012, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares up to a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at 16 May 2012, which amounted to 91,867,680 Shares (a total 459,338,400 Shares was issued). The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. The Exchange Shares will be issued under such general mandate and the issue of the Exchange Shares is not subject to the approval of the Shareholders.

## **DISCLOSEABLE TRANSACTION**

As some of the applicable ratio of the possible issue of the Exchange Share exceed 5% but are less than 25%, the issue of the Exchangeable Bonds constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS**

Save as the proposed Exchangeable Bond Issue, the Company did not carry out any right issue, open offer or other issue of equity securities for any fund raising purpose or otherwise in the 12 months period immediately before the date of this announcement.

## PRINCIPAL BUSINESS OF THE PARTIES

The Group engaged in real estate agent business for the primary and secondary property markets in China. As the partner of leading property developers in China, the Group provides comprehensive value-added services ranging from planning of marketing programmes and related consultancy services to handling of sales and mortgage arrangements.

The Issuer is a wholly subsidiary of the Company engaged in the business of property consultancy services.

Orchid Asia V, L.P is an exempted limited partnership and Orchid Asia V Co-Investment Limited is a investment holding company incorporated under the laws of Cayman Islands.

## APPLICATION FOR LISTING

Listing of, and permission to deal in, the Exchange Shares on the Stock Exchange and will be sought.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” above for further information.

**WARNING: As the Subscription Agreement may or may not complete, the Exchangeable Bonds may or may not be issued and/or the Exchange Shares may or may not be issued or listed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Adjustment Events” (i) consolidation, reclassification or subdivision of the Shares; (ii) capitalization of profits or reserves; (iii) capital distributions; (iv) rights issues of Shares or options over Shares at less than 95% of the then Current Market Price, except that there is no adjustment made to the Exchange Price when Shares or other securities (including rights or options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees (including directors) of the Company or any of its Subsidiaries pursuant to any share option scheme or plan; (v) rights issues of other securities; (vi) issues at less than Current Market Price; (vii) other issues at less than current market price; (viii) modification of rights of exchange; (ix) other offers to Shareholders; and (x) other events.

“Affiliate”	of a person (the “ <b>Subject Person</b> ”) means (in case where the Subject Person is an entity) (i) any person(s) who is entitled to exercise, or control the exercise of, 30% or more of the voting power at any general meeting of the Subject Person (the “ <b>Substantial Shareholder(s)</b> ”) of the Subject Person; (ii) Subsidiary; (iii) any entity which has a common Substantial Shareholder with the Subject Person
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors of the Company
“Bondholder(s)”	holder(s) of the Exchangeable Bond(s) from time to time
“Business Day”	any day other than a Saturday or Sunday on which the Stock Exchange or the alternative stock exchange as the case may be, is open for the business of dealing in securities
“Change of Control”	occurs when (i) any Person or Persons acting together acquires Control of the Issuer or Company if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer or the Company (as the case may be) on the date of the issue of the Exchangeable Bonds; (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; (iii) one or more Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all; or (iv) the issued share capital of the Company; or the Issuer ceases to be a wholly-owned subsidiary of the Company.

For the purpose of “Change of Control”:

“Control” means the acquisition or control of more than 30% of the voting rights of the issued share capital of the Company or the Issuer or the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; and

“Person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include members of the board of directors of the issuer (or their respective heirs, executors or assigns) or any other governing board and does not include the wholly-owned direct or indirect subsidiaries of the Company.

“Closing Price”	for the Shares on any Trading Day shall be the price published in the Daily Quotation Sheet published by the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day.
“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 (stock code: 733)
“Completion”	completion of the Subscription Agreement
“Completion Date”	the date of Completion
“connected person”	shall have the meaning given to it in the Listing Rules
“Current Market Price”	<p>in respect of a Share on a particular date, the average of the Closing Price for one share (being a Share carrying a full entitlement to dividends) for the 20 consecutive Trading Days ending on and including the Trading days immediately preceding such date; provided that if at any time during the said 20 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:</p> <p>(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or</p>

if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

“Delisting”	the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 14 consecutive days on the Stock Exchange or if applicable, the Alternative Stock Exchange
“Director(s)”	the directors of the Company
“Exchange Date”	the exchange date in respect of the Exchangeable Bonds
“Exchange Price”	the price per Share at which the Shares will be issued upon exchange and the initial exchange price being HK\$2.40 per Exchange Share (subject to adjustments)
“Exchange Right”	the right to be attached to the Exchangeable Bonds to exchange the principal amount of the Exchangeable Bonds or a part thereof for Exchange Shares
“Exchange Share(s)”	Shares falling to be issued by in connection with the Exchangeable Bonds (whether upon exercise by a Bondholder of the Exchange Right or otherwise pursuant to the Terms and Conditions)
“Exchangeable Bond(s)”	HK\$218,400,000 in aggregate principal amount of guaranteed exchangeable bonds due 2015 to be issued by the Issuer
“Exchangeable Bond Issue”	the issue and subscription of the Exchangeable Bonds pursuant to the Subscription Agreement
“Group”	the Company and its subsidiaries and associated companies (as defined in HKFRS) including but not limited to the Company

“HK\$” or “Hong Kong Dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standard
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Hopefluent Properties Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date on which the Exchangeable Bonds mature
“PRC”	the People’s Republic of China
“Prohibited Person”	A prohibited person is a person who engages in the business of property development or property real estate service in Hong Kong or the PRC, or any person who holds 30%, or more equity interest in any entity which engaged in the aforementioned business.
“Reference Price”	HK\$3.60 which is subject to adjustment so that in all material time it shall be 150% to the Exchange Price
“Relevant Stock Exchange”	at any time, in respect of the Shares, the Stock Exchange or an Alternative Stock Exchange, as the case may be
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Orchid Asia V, L.P, an exempted limited partnership and Orchid Asia V Co-Investment Limited, a company incorporated under the laws of the Cayman Islands with limited liability
“Subscription Agreement”	the conditional subscription agreement entered into between the Issuer, the Subscribers and the Company on 1 August 2012 in relation to the Exchangeable Bond Issue
“Subsidiary”	shall have the meaning given to it in the Listing Rules
“Terms and Conditions”	the terms and conditions in relation to the Exchangeable Bonds

“Trading Days”

a day when the Relevant Stock Exchange or relevant market is open for dealing business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange or relevant market is scheduled to or does close prior to its regular weekday closing time)

“%”

per cent.

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

Hong Kong, 1 August 2012

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

*As at the date of this announcement, the Board of Directors 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.*