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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The board of directors (the "Directors" or "Board") of Hopefluent Group Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010, together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Turnover	*3*	**1,327,796**	995,450
Other income		**4,979**	11,452
Selling expenses		**(198,685)**	(155,274)
Administrative expenses		**(872,674)**	(672,471)
Other expenses		**(3,483)**	(7,575)
Finance costs	*5*	**(3,006)**	(3,184)
Profit before tax		**254,927**	168,398
Income tax expense	*6*	**(78,584)**	(40,028)
Profit for the year	*7*	**176,343**	128,370
Other comprehensive income for the year:			
Exchange difference arising on translation		**24,825**	2,172
Total comprehensive income for the year		**201,168**	130,542
Profit for the year attributable to:			
Owners of the Company		**171,494**	125,586
Non-controlling interests		**4,849**	2,784
		176,343	128,370
Total comprehensive income attributable to:			
Owners of the Company		**195,330**	127,591
Non-controlling interests		**5,838**	2,951
		201,168	130,542
			(restated)
Earnings per share	*9*		
— Basic		**HK49.8 cents**	HK38.6 cents
— Diluted		**HK49.4 cents**	HK38.6 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Investment properties		**33,021**	24,996
Property, plant and equipment		**252,767**	219,098
Goodwill		**15,608**	15,544
Interest in associates		**137,230**	—
		438,626	259,638
CURRENT ASSETS			
Accounts receivables	*10*	**307,298**	201,296
Other receivables and prepayment		**66,658**	54,934
Held for trading investments		**1,234**	9,753
Bank balances and cash		**396,508**	338,073
		771,698	604,056
CURRENT LIABILITIES			
Payables and accruals	*11*	**134,808**	96,565
Tax liabilities		**64,497**	50,436
Bank borrowings		**40,235**	60,120
		239,540	207,121
NET CURRENT ASSETS		**532,158**	396,935
		970,784	656,573
CAPITAL AND RESERVES			
Share capital		**3,805**	2,960
Share premium and reserves		**919,759**	612,342
Equity attributable to owners of the Company		**923,564**	615,302
Non-controlling interests		**25,573**	21,320
		949,137	636,622
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**21,647**	19,951
		970,784	656,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2010

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is Renminbi ("RMB"). The directors selected Hong Kong dollars as the presentation currency because the shares of the Company are listed on the Stock Exchange.

The Company is an investment holding company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the application of the new and revised Standards, Amendments and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

The application of the revised Standard has affected the accounting for the Group's additions of interest in a subsidiary in the current year. The change in policy has resulted in the difference of HK$2,107,000 between the consideration paid of HK$678,000 and the non-controlling interests derecognised of HK$2,785,000 being recognised directly in equity, instead of in profit or loss. In addition, the cash consideration paid in the current year of HK$678,000 has been included in cash flows from financing activities.

In addition, under HKAS 27 (as revised in 2008), the definition of non-controlling interest has been changed. Specifically, under the revised Standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent.

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010, except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1 and HKAS28[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

[1] Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
[2] Effective for annual periods beginning on or after 1 July 2010.
[3] Effective for annual periods beginning on or after 1 July 2011.
[4] Effective for annual periods beginning on or after 1 January 2013.
[5] Effective for annual periods beginning on or after 1 January 2012.
[6] Effective for annual periods beginning on or after 1 January 2011.
[7] Effective for annual periods beginning on or after 1 February 2010.

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new Standard may not have significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors do not anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model because no fair value gain has been recognised.

The directors anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER

Turnover represents agency commission and services income received and receivable from outside customers for the sales of properties in the People's Republic of China (the "PRC") less business tax and surcharges. An analysis of the Group's revenue for the year from continuing operations is as follows:

	2010	2009
	HK$'000	*HK$'000*
Agency commission	**1,291,020**	965,750
Service income	**114,542**	88,887
Less: Business tax and other taxes	**(77,766)**	(59,187)
	1,327,796	995,450

4. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

The Group is organised into three business divisions including primary property real estate agency services, secondary property real estate agency services and property management services which form the Group's three operating segments.

An analysis of the Group's revenue and results from continuing operations by operating segment is as follows:

For the year ended 31 December 2010

	Primary property real estate agency *HK$'000*	**Secondary property real estate agency** *HK$'000*	**Property management** *HK$'000*	**Total** *HK$'000*
Segment revenue	**762,774**	**457,127**	**107,895**	**1,327,796**
Segment profit	**220,022**	**47,534**	**558**	**268,114**
Other income				**4,979**
Central administrative costs				**(15,160)**
Finance costs				**(3,006)**
Profit before tax				**254,927**
Income tax expense				**(78,584)**
Profit for the year				**176,343**

For the year ended 31 December 2009

	Primary property real estate agency *HK$'000*	Secondary property real estate agency *HK$'000*	Property management *HK$'000*	Total *HK$'000*
Segment revenue	494,021	417,719	83,710	995,450
Segment profit	122,007	62,082	(2,636)	181,453
Other income				11,452
Central administrative costs				(21,323)
Finance costs				(3,184)
Profit before tax				168,398
Income tax expense				(40,028)
Profit for the year				128,370

5. FINANCE COSTS

The amount represents interest on bank borrowings wholly repayable within five years.

6. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The charge comprises:		
The PRC Enterprises Income Tax ("EIT")	**77,724**	40,483
Deferred tax	**860**	(455)
	78,584	40,028

Under the Law of the PRC on EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008.

Certain of the Group's subsidiaries operating in the PRC are required to pay the PRC income tax on a deemed profit basis at a predetermined tax rate of 2.5% to 6.0% (2009: 2.5% to 5.0%) on turnover during the current year. The predetermined tax rate is agreed and determined between such enterprises and the PRC tax bureau of local government and is subject to annual review and renewal.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit in Hong Kong for both years.

7. PROFIT FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**49,565**	43,811
Impairment on accounts receivables	**4,088**	3,645
Loss on fair value changes of held for trading investments	**317**	434
Loss on partial disposal of subsidiaries	**—**	2,857
Loss on disposal and write-off property, plant and equipment	**203**	639
and after crediting:		
Bank interest income	**1,050**	644
Net rental income in respect of premises, net of negligible outgoings	**1,286**	1,288
Discount on acquisition of subsidiaries (include in other income)	**—**	3,457

8. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2010 Interim — HK4 cents per share	**13,790**	—
2009 Final — HK9 cents per share	**26,640**	—
	40,430	—

The final dividend of HK11 cents in respect of the year ended 31 December 2010 (2009: final dividend of HK9 cents in respect of the year ended 31 December 2009) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2010	2009
	HK$'000	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	**171,494**	125,586

Number of shares

	2010	2009
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**344,516**	325,600
Effect of dilutive potential ordinary shares:		
Options	**2,677**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**347,193**	325,600

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the bonus issue on 20 September 2010.

The computation of diluted earnings per share for the year ended 31 December 2009 did not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares of the Company.

10. ACCOUNTS RECEIVABLES

The Group allows an average credit period ranging from 30 to 120 days to its customers. The aged analysis of accounts receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period is as follows:

	2010	2009
	HK$'000	*HK$'000*
Accounts receivables		
0–30 days	**129,478**	93,105
31–60 days	**64,159**	45,045
61–90 days	**64,625**	28,440
91–120 days	**35,095**	22,972
Over 120 days	**13,941**	11,734
	307,298	201,296

11. PAYABLES AND ACCRUALS

The payables and accruals mainly comprise of the deposits received, receipts in advance, accrued salary and other sundry creditors.

BUSINESS REVIEW

The Central Government has launched several austerity measures targeting the property market in China in 2010, resulting in an adjustment in both supply and transaction volumes of properties in first-tier cities. However, the Group's efforts to replicate its successful business model developed in Guangzhou to other cities have borne desirable result. Adhering to a prudent and pragmatic business approach, the Group has made timely changes to its operational strategy according to the development of the market and policy initiatives, which allowed the Group to capture the market trend successfully. All these efforts together have brought notable growth to its business.

For the year ended 31 December, 2010, the Group recorded a turnover of approximately HK$1,328 million, up by 33% against HK$995 million in 2009. Profit attributable to shareholders was HK$171.5 million, increased by 37% as compared to that in 2009 (2009 profit attributable to shareholders: HK$125.6 million). Basic earnings per share were HK49.8 cents (2009 restated: HK38.6 cents).

During the year under review, the Group's primary and secondary property real estate agency service businesses achieved a turnover of HK$762.8 million and HK$457.1 million respectively, accounting for 58% and 34% of the Group's total turnover. The remaining 8% or HK$107.9 million was derived from the property management business. By geographical location, Guangzhou contributed about 54% of the total turnover and about 46% came from outside Guangzhou.

Primary Property Real Estate Agency and Consultancy Services

In 2010, the Group handled approximately 70,050 primary property transactions involving a total gross floor area of about 7.0 million square meter at a total transaction value of about HK$75.0 billion, a 49% increase compared to HK$50.2 billion last year. During the year under review, the Group was an agent for over 400 projects and 350 of them contributed turnover to the Group amounting to approximately HK$762.8 million, a 54% rise when compared to HK$494.0 million in 2009. By geographical location, Guangzhou accounted for about 42% of the total turnover from the primary property real estate agency service business and about 58% came from outside Guangzhou.

Leveraging on the Asian Games held in Guangzhou which brought opportunities to improve the city's development, the Group was able to expand its market share which brought substantial growth from the numbers of projects obtained. On the other hand, the Group's business coverage was able to set foot into Foshan, Shenzhen, Dongguan, Zhuhai, Zhongshan, Huizhou, Jiangmen, and other cities in Guandong Province along with the rapid development of the city railway system, subway lines, highways and other transportation networks. This further increases our market share in Pearl River Delta and Guangdong Province and laid a solid foundation for future growth. For the year ended 31 December 2010, the Group has more than 20 offices serving more than 40 cities including Guangzhou, Shenzhen, Zhuhai, Dongguan, Foshan, Tianjin, Changsha, Hefei, Shanghai, Nanjing, Hangzhou, Suzhou, Zhengzhou, Wuhan, Jinang, Guizhou, Nanjing, and Xian.

In the past year, the Group continued to work closely with major property developers and projects on hand had been on the rise. It was appointed as agent for a substantial amount of projects, including Asian Games City, Favorview Palace, Vanke Glorious Life, Star River, New World China Land's The Canton Mansion, Poly City, Evergrande Palace, China Overseas Banyan Bay, Agile Garden Guangzhou, Citic Victory City, Gemdale Eton and others with excellent sales. This success has served to verify recognition by both customers and developers on the Group's professional sales and service capabilities. Another strength of the Group is its comprehensive initial project consultancy services to property developers spanning the entire planning process from professional advice on location and market positioning to marketing strategies and sales. During the year under review, the Group provided initial project planning services to more than 90 development projects covering more than 40 cities.

Secondary Property Real Estate Agency Service

In 2010, property prices in mainland China continued to rise as the revival of the country's economy gathered momentum. However, the introduction of austerity measures and policy restrictions on purchasing a second house by the Central Government has affected property prices and supply in many first-tier cities such as Beijing and Shanghai. As a result, the secondary property market have adopted a wait-and-see attitude. This situation has further affected the overall transaction volume of secondary properties.

Although the overall transaction volume of the secondary property real estate agency market has recorded a year-on-year decrease, but the Group was able to gain increment on its market share, creating a favorable environment for business growth in the secondary property market. Thus, the overall performance of the secondary property real estate agency service has remained satisfactory. As at 31 December 2010, the Group handled approximately 50,100 secondary property transactions (2009: 40,500 transactions). Turnover from this segment increased by 9% to approximately HK$457.1 million from HK$417.7 million in 2009. Transactions from Guangzhou contributed 77% of the total turnover of this segment while 23% came from outside Guangzhou.

The Group has adjusted its expansion strategy in line with market conditions, steadily increasing the number of secondary property real estate agency branches. With an addition of 65 branches during the year under review, the Group has a total of 350 branches in operation as at 31 December 2010. Of the total, 300 branches were in Guangzhou and Shanghai, the major cities where it is primarily focused, and the remaining 50 branches were in Dongguan, Foshan, and Suzhou and Hangzhou which were included in the Group's development plan in the second half of 2010.

In addition to providing property agency services, the Group was able to launch numerous value-added services and products including mortgage referral services, property valuation and property auction. These services not only provide an additional income source to the Group, but also help to strengthen its brand image. With the launch of these services, it will bring forth better result to the Group as a whole.

Property Management Service

For the property management business, the Group has provided property management services to about 100 residential, office and commercial projects in Guangzhou, Shanghai, Tianjin and Wuhan involving more than 100,000 units of total gross floor area covering 10 million square metre during the year under review. This business has brought stable income to the Group which would support its future expansion.

Interest in Associates

On 30 August 2010, the Group acquired 100% of the issued share capital of Firstnet Group Limited at an aggregate consideration of HK$135,847,000 in which HK$5,269,000 was paid by cash and HK$130,578,000 was settled by issuance of 42,000,000 ordinary shares with par value of HK$ 0.01 each of the Company. The subsidiary of an associate of Firstnet Group Limited is engaged in property development for commercial use.

The fair value of 42,000,000 ordinary shares with par value of HK$0.01 each of the Company issued as part of the consideration, determined using the published price available at the date of the acquisition, amounted to HK$130,578,000.

Prospects

In early 2011, the Central Government has implemented additional austerity measures such as restrictions on buying a second house as well as a pilot programme on property tax in specific cities, thus forcing players to become more prudent in the buying and selling of properties in the mainland China. However, the Group intends to align its strategy of market share expansion in view of strong market demand in order to secure its competitive advantage in the primary real estate agency services market and prudent long-term development in secondary real estate agency services market.

Volatile as the market, developers have tended to cooperate with experienced agencies due to the changes in Government policy. The Group believes that by building on its established reputation, industry experience and expertise and its close partnership with numerous developers, it can secure more agency contracts to reinforce its leadership in the industry. To date, the Group has confirmed partnerships with leading developers and projects in 2011 including Vanke, Star River, Evergrande, Poly, Gemdale, Citic, Agile Property, New World China Land, Sun Hung Kai Properties, Favorview Palace and Asian Games City. Meanwhile, the Group will continue to secure its leadership in Guangdong Province, and enhance its sales networks in second and third tier cities to expand its coverage and market share.

Within the secondary property real estate agency service business, the Group will steadily expand the number of branches while closely observing market conditions. Pearl River Delta and Yangtze River Delta would continue to be the main focus of our efforts. The Group will align its development strategy with a view to expanding its market share and lay a solid foundation for the Group's long-term development.

Looking ahead, the Group remains confident in the long-term development prospects of the PRC property market. With its firm business foundation, the Group intends to continuously strive to provide our clients with professional and superior property real estate agency and consulting services guided by a prudent and pragmatic approach. At the same time, we plan to actively expand the Group's real estate-related value-added services businesses. We strongly believe that through our brand, professionalism in service and the strategic location of our business presence, the Group would definitely be able to make the most of the market opportunities and strive to bring satisfactory returns to our shareholders.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising the three existing independent non-executive directors, has reviewed the audited financial statements for the year ended 31 December 2010 including the accounting, internal controls and financial reporting issues.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group maintained a sound financial position where the cash and bank deposits and current ratio, as a ratio of current assets to current liabilities, were approximately HK$396.5 million (31 December 2009: HK$338.1 million) and 3.22 (31 December 2009: 2.92) respectively. Total borrowings amounted to approximately HK$40.2 million which are secured bank borrowings (31 December 2009: unsecured and secured bank borrowings are HK$21.3 million and approximately HK$38.8 million respectively). The Group's gearing ratio, which was computed by dividing the total borrowings by total assets, was approximately 3.32% (31 December 2009: 6.96%). The Group's borrowings are denominated in Renminbi. The Group had no material contingent liabilities as at 31 December 2010.

PLEDGE OF ASSETS

As at 31 December 2010, the Group pledged its investment properties and, leasehold land and buildings with an aggregate amount of approximately HK$78.6 million to banks to secure bank borrowings of the Group.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's business transactions were denominated in either Hong Kong dollars or Renminbi. As such, the Group had no significant exposure to foreign exchange fluctuations.

EMPLOYEES

As at 31 December 2010, the Group had approximately 10,500 full time employees. Around 8 staff were based in Hong Kong and the rest were employed in China. Competitive remuneration packages are structured to commensurate with individual job duties, qualification, performance and years of experience.

CAPITAL STRUCTURE

As at 31 December 2010, the total number of shares (the Shares) of HK$0.01 each in the capital of the Company in issue was 380,540,000.

FINAL DIVIDEND AND BONUS SHARE ISSUE

On 23 March 2011, the Board have proposed to declare a final dividend of HK11 cents per share of the Company (the "Share(s)") for the year ended 31 December 2010 (the "Final Dividend") payable to shareholders of the Company (the "Shareholders") whose names are on the register of members on 9 June 2011 (the "Record Date") subject to shareholders' approval in 2011 Annual General Meeting. In addition to the distribution of Final Dividend, the Board also proposes the issue of bonus shares on the basis of 1 bonus share for every 5 existing Shares (the "Bonus Issue") held by Shareholders whose names appear on the Company's register of members on the Record Date. The bonus shares will be issued and credited as fully paid upon issue and will rank pari passu in all respects with the existing Shares with effect from the date of issue.

The Bonus Issue is conditional upon the Shareholders' approval and the granting by The Stock Exchange of Hong Kong Limited of the listing of, and permission to deal in, the new Shares to be issued pursuant thereto. It is expected that the dividend warrants and share certificates (if all conditions are satisfied) will be posted on 23 June 2011. The necessary resolution relating to the Bonus Issue will be proposed at the 2011 Annual General Meeting of the Company to be held on 9 June 2011. A circular containing further details of the Bonus Issue together with a notice of the 2011 Annual General Meeting of the Company will be despatched to the Shareholders as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 7 June 2011 (Tuesday) to 9 June 2011 (Thursday), both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and the Bonus Issue and attending and voting at the 2011 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 3 June 2011 (Friday).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date, the Company has not redeemed any of its Shares, and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's Shares.

CORPORATE GOVERNANCE

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not during the year ended 31 December 2010 in compliance with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules except the following deviation (Code Provision A.2.1):

Further Information About Chairman and Chief Executive Officer

Mr. Fu is the chairman of the Company and co-founder of the Company. Mr. Fu has extensive experience in the industry which is beneficial and of great value to the overall development of the Company.

The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company is monitored by the executive directors as well as the senior management.

The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE") OF THE LISTING RULES

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year under review and they all confirmed that they have fully complied with the required standard set out in the Model Code.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation for the support of our customers and shareholders. Thanks also to the staff members of the Group for their commitment and dedicated services throughout the year.

PUBLICATION OF DETAILED ANNUAL RESULTS ON STOCK EXCHANGE'S WEBSITE

The 2010 annual report containing all the information required by the Listing Rules will be released on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hopefluent.com) and dispatched to shareholders in due course.

2011 ANNUAL GENERAL MEETING

It is proposed that the 2011 Annual General Meeting of the Company will be held on 9 June 2011 (Thursday). A notice convening the 2011 Annual General Meeting will be released on the websites of the Stock Exchange and the Company and will be dispatched to the shareholders of the Company accordingly.

By Order of the Board of Directors
FU Wai Chung
Chairman

Hong Kong, 23 March 2011

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.