

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

SUBSCRIPTION OF NEW SHARES BY SOUFUN HOLDINGS UNDER GENERAL MANDATE AND CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF JOINT VENTURE COMPANY

CONNECTED TRANSACTION IN RELATION TO THE CHINA-NET SUBSCRIPTION

After trading hours on 12 September 2014, the Company entered into the China-net Subscription Agreement with China-net pursuant to which China-net has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 42,000,000 new Shares at the China-net Subscription Price of HK\$3.00 per China-net Subscription Share to China-net. The China-net Subscription is subject to various conditions set out below under the heading “Conditions precedent to the China-net Subscription”.

The China-net Subscription Shares represent approximately 8.02% of the existing issued share capital of the Company and approximately 6.40% of the issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate, subject to SouFun Subscription Completion and China-net Subscription Completion and assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the date of SouFun Subscription Completion and China-net Subscription Completion.

THE SOUFUN SUBSCRIPTION

After trading hours on 12 September 2014, the Company entered into the SouFun Subscription Agreement with SouFun Holdings pursuant to which SouFun Holdings has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 91,000,000 new Shares at the SouFun Subscription Price of HK\$3.00 per SouFun Subscription Share to SouFun Holdings. The SouFun Subscription is subject to various conditions set out below under the heading “Conditions precedent to the SouFun Subscription”.

The SouFun Subscription Shares represent approximately 17.38% of the existing issued share capital of the Company and approximately 13.86% of the issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate, subject to SouFun Subscription Completion and China-net Subscription Completion and assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the date of SouFun Subscription Completion and China-net Subscription Completion.

Pursuant to the SouFun Subscription Agreement, SouFun Holdings undertook that, without the prior written consent of the Company, during a period commencing from and including the date of the SouFun Subscription Completion and ending on and including the date which is 12 months from the date of SouFun Subscription Completion, SouFun Holdings shall not, and shall procure that none of its associates or companies controlled by it or nominees or trustees holding in trust for it shall sell, transfer or otherwise dispose of (or enter into any agreement to dispose of) any SouFun Subscription Shares held by SouFun Holdings, or any SouFun Subscription Shares held directly or indirectly by SouFun Holdings or its associates, in any company controlled by them which is the beneficial owner of any such Subscription Shares nor permit the registered holder to dispose of (or enter into any agreement to dispose of) any of their direct or indirect interests in such SouFun Subscription Shares.

THE JOINT VENTURE AGREEMENT

After trading hours on 12 September 2014, the Company entered into the Joint Venture Agreement with SouFun Holdings pursuant to which the Company and SouFun Holdings have agreed to establish the Joint Venture Company to engage in real estate financial and internet financial business in the PRC subject to the final approval of relevant governmental authorities.

Pursuant to the Joint Venture Agreement, the Joint Venture Company will be owned as to 60% by SouFun Holdings (or its affiliate) and 40% by the Company (or its affiliate).

GENERAL

Each of the SouFun Subscription Price and the China-net Subscription Price is fixed at HK\$3.00 per SouFun Subscription Share and China-net Subscription Share, respectively, which represents: (i) a premium of approximately 15.83% to the average closing price of approximately HK\$2.59 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (ii) a premium of approximately 16.73% to the average closing price of approximately HK\$2.57 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The gross proceeds from the SouFun Subscription and the China-net Subscription are expected to be approximately HK\$399,000,000 in aggregate. After deducting related professional fees and all related expenses of about HK\$4,000,000 which will be borne by the Company, the net proceeds of the SouFun Subscription and the China-net Subscription will amount to approximately HK\$395,000,000. The Company intends to apply the net proceeds from the SouFun Subscription and the China-net Subscription (i) to conduct real estate financial and Internet financial services business and (ii) for general working capital of the Group.

IMPLICATIONS OF THE LISTING RULES

China-net is wholly-owned by Mr. Fu, a controlling Shareholder who is interested in 183,427,467 Shares, representing approximately 35.03% of the issued share capital of the Company as at the date of this announcement. China-net is therefore a connected person of the Company under the Listing Rules and the China-net Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements thereunder. The Company will seek the Independent Shareholders' approval for the China-net Subscription Agreement and the transactions contemplated thereunder at the EGM.

Upon the China-net Subscription Completion and the SouFun Subscription Completion, the direct and indirect shareholding of Mr. Fu will decrease from approximately 35.03% to approximately 34.33% of the issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate.

The SouFun Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with up to 101,533,826 Shares, which was granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company on 6 June 2014.

The China-net Subscription Shares will be allotted and issued under a specific mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM. The general mandate of the Company will not be used for the issue of the China-net Subscription Shares.

A circular containing, among other things, (i) further details of the China-net Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the China-net Subscription Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser in relation to the China-net Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or about 7 October 2014.

As the applicable percentage ratios in respect of the Formation of the Joint Venture Company contemplated under the Joint Venture Agreement exceed 5% but are less than 25%, the entering into of the Joint Venture Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is subject to, the reporting and announcement requirements under the Listing Rules.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the SouFun Subscription Shares and the China-net Subscription Shares.

The China-net Subscription, the SouFun Subscription and the Formation of the Joint Venture Company are subject to the satisfaction of certain conditions precedent. Accordingly, the China-net Subscription, the SouFun Subscription and the Formation of the Joint Venture Company may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisors if they are in any doubt about their position and actions that they should take.

References are made to the announcements of the Company dated 10 July 2014 and 12 August 2014.

The Board is pleased to announce that after trading hours on 12 September 2014, the Company entered into the China-net Subscription Agreement with China-net and the SouFun Subscription Agreement with SouFun Holdings in respect of the subscription of new Shares by China-net and SouFun Holdings, respectively. On the same date, the Company also entered into the Joint Venture Agreement with SouFun Holdings.

THE CHINA-NET SUBSCRIPTION AGREEMENT

Date

12 September 2014 (After trading hours)

Parties

- (a) the Company, as issuer; and
- (b) China-net, as subscriber

China-net is a company incorporated under BVI law with limited liability and is wholly-owned by Mr. Fu, a controlling Shareholder who is interested in 183,427,467 Shares, representing approximately 35.03% of the issued share capital of the Company, as at the date of this announcement.

The China-net Subscription

Pursuant to the China-net Subscription Agreement, China-net has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 42,000,000 new Shares (with an aggregate nominal value of HK\$420,000) at the China-net Subscription Price of HK\$3.00 per China-net Subscription Share to China-net, with an aggregate cash consideration of approximately HK\$126,000,000.

The China-net Subscription Shares represent approximately 8.02% of the existing issued share capital of the Company and approximately 6.40% of the issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate, subject to SouFun Subscription Completion and China-net Subscription Completion and assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the date of SouFun Subscription Completion and China-net Subscription Completion.

Conditions precedent to the China-net Subscription

China-net Subscription Completion is conditional upon fulfillment of the following conditions:

- (a) the Independent Shareholders having approved the China-net Subscription and the related transactions contemplated thereunder by way of poll;

- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the China-net Subscription Shares and such approval and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the China-net Subscription Shares;
- (c) the China-net Subscription Agreement not having been terminated as a result of any material breach of the warranties as set out in the China-net Subscription Agreement prior to China-net Subscription Completion; and
- (d) the simultaneous completion of the SouFun Subscription.

In the event that any of the conditions of the China-net Subscription is not fulfilled on or prior to 31 December 2014 (or such later date as may be agreed between the Company and China-net in writing), the China-net Subscription Agreement will terminate and all obligations of the Company and China-net under the China-net Subscription Agreement shall cease and terminate and neither the Company nor China-net shall have any claim against the other in respect of any matter arising out of or in connection with the China-net Subscription Agreement.

China-net Subscription Completion

China-net Subscription Completion will take place on the third business day after the date on which all the conditions of the China-net Subscription are fulfilled (or such other date as may be agreed between the Company and China-net in writing) and shall be simultaneous with the SouFun Subscription Completion. For the avoidance of doubt, if the SouFun Subscription fails to complete, the China-net Subscription Agreement shall terminate and no party to the China-net Subscription Agreement will have any further rights or obligations under the China-net Subscription Agreement.

THE SOUFUN SUBSCRIPTION AGREEMENT

Date

12 September 2014 (After trading hours)

Parties

- (a) the Company, as issuer; and
- (b) SouFun Holdings, as subscriber

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, SouFun Holdings and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The SouFun Subscription

Pursuant to the SouFun Subscription Agreement, SouFun Holdings has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 91,000,000 new Shares (with an aggregate nominal value of HK\$910,000) at the SouFun Subscription Price of HK\$3.00 per SouFun Subscription Share to SouFun Holdings, with an aggregate cash consideration of approximately HK\$273,000,000.

The SouFun Subscription Shares representing approximately 17.38% of the issued share capital of the Company as at the date of this announcement and approximately 13.86% of the issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate, subject to SouFun Subscription Completion and China-net Subscription Completion and assuming there will be no other changes in the issued share capital of the Company between the date of this announcement and the date of SouFun Subscription Completion and China-net Subscription Completion.

Conditions precedent to the SouFun Subscription

SouFun Subscription Completion is conditional upon fulfillment of the following conditions:

- (a) the existing controlling shareholder of the Company continues to hold not less than 30% of the issued share capital of the Company on a fully diluted basis;
- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the SouFun Subscription Shares and such approval and permission not being subsequently revoked prior to the delivery of definitive share certificate(s) representing the SouFun Subscription Shares;
- (c) all consents and approvals (if any) of the Stock Exchange, the SEC, the SFC and any relevant governmental or regulatory authorities and other relevant third parties which are necessary and essential for the entering into and the implementation of the SouFun Subscription Agreement and all transactions contemplated under the SouFun Subscription Agreement having been obtained;
- (d) the SouFun Subscription Agreement not having been terminated as a result of any material breach of the warranties as set out in the SouFun Subscription Agreement prior to the SouFun Subscription Completion; and
- (e) the relevant consent as required under the terms and conditions of the exchangeable bonds issued by the Company's wholly-owned subsidiary Hopefluent Properties Limited on 1 August 2012 having been obtained and not expired.

In the event that the above conditions are not fulfilled by 31 December 2014 (or such later date as may be agreed between the Company and SouFun Holdings), all obligations and liabilities of the Company and SouFun Holdings in relation to the SouFun Subscription shall cease and terminate immediately thereafter and neither of the parties shall have any claim against the other in respect of the SouFun Subscription save for any antecedent breach and/or liabilities or obligations which may accrue under the SouFun Subscription Agreement prior to such termination.

SouFun Subscription Completion

SouFun Subscription Completion will take place on the third business day after the date on which all the conditions of the SouFun Subscription has been satisfied (or such other date as the Company and SouFun Holdings may agree in writing) and shall be simultaneous with China-net Subscription Completion. In the event that China-net Subscription Completion does not take place, all rights, obligations and liabilities for the parties in relation to the SouFun Subscription shall cease and terminate and none of the parties shall have any claim against each other in respect of the SouFun Subscription.

Nomination of Director

Pursuant to the SouFun Subscription Agreement, subject to applicable laws and the articles of association of the Company, SouFun Holdings shall have the right to nominate one representative to be put forward for appointment to the Board as non-executive Director so long as SouFun Holdings holds 10% or more of the issued share capital of the Company provided that such representative fulfils the requirements under applicable laws to be appointed as a director.

Lock-up arrangement for the SouFun Subscription Shares

Pursuant to the SouFun Subscription Agreement, SouFun Holdings undertook that, without the prior written consent of the Company, during a period commencing from and including the date of the SouFun Subscription Completion and ending on and including the date which is 12 months from the date of the SouFun Subscription Completion, SouFun Holdings shall not, and shall procure that none of its associates or companies controlled by it or nominees or trustees holding in trust for it shall sell, transfer or otherwise dispose of (or enter into any agreement to dispose of) any SouFun Subscription Shares held by SouFun Holdings, or any SouFun Subscription Shares held directly or indirectly by SouFun Holdings or its associates, in any company controlled by them which is the beneficial owner of any such Subscription Shares nor permit the registered holder to dispose of (or enter into any agreement to dispose of) any of their direct or indirect interests in such SouFun Subscription Shares.

Ranking of the SouFun Subscription Shares and the China-net Subscription Shares

The SouFun Subscription Shares and the China-net Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares including all dividends declared or payable or distributions made or proposed on or after the date of SouFun Subscription Completion and China-net Subscription Completion.

The SouFun Subscription Price and the China-net Subscription Price

Each of the SouFun Subscription Price and the China-net Subscription Price is fixed at HK\$3.00 per SouFun Subscription Share and China-net Subscription Share, respectively, which represents:

- (i) a premium of approximately 15.83% to the average closing price of approximately HK\$2.59 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (ii) a premium of approximately 16.73% to the average closing price of approximately HK\$2.57 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The SouFun Subscription Price was arrived at after arm's length negotiations between the Company and SouFun Holdings.

The China-net Subscription Price was arrived at after arm's length negotiations between the Company and China-net.

Taking into account the aggregate expenses of the SouFun Subscription and the China-net Subscription in the amount of approximately HK\$4,000,000, the net proceeds of the new Shares to be allotted under the SouFun Subscription and the China-net Subscription is approximately HK\$395,000,000.

THE JOINT VENTURE AGREEMENT

Date

12 September 2014 (after trading hours)

Parties

- (a) the Company; and
- (b) SouFun Holdings

Formation of Joint Venture Company and its Principal Activities

Pursuant to the Joint Venture Agreement, the Joint Venture Company will be owned as to 60% by SouFun Holdings (or its affiliate) and 40% by the Company (or its affiliate). The Company and SouFun Holdings agree that the scope of business of the Joint Venture Company will be to engage in real estate financial and internet financial business in the PRC, subject to the final approval of relevant governmental authorities.

Capital Commitment

The aggregate capital commitment (whether equity, loan or otherwise and including any contractual commitment to subscribe for capital and any guarantee or indemnity) to be provided by the Company and SouFun Holdings for the Formation of Joint Venture Company under the Joint Venture Agreement shall be RMB500,000,000 (approximately HK\$629,000,000), which is equivalent to the registered capital of the Joint Venture Company, of which RMB300 million (approximately HK\$377,400,000) will be provided by SouFun Holdings and RMB200 million (approximately HK\$251,600,000) will be provided by the Company. The capital contribution by the Company will be funded by internal resources.

The respective capital commitment of the Company and SouFun Holdings under the Joint Venture Agreement is proportional to their respective shareholdings in the Joint Venture Company and was determined after arm's length negotiations among the Company and SouFun Holdings with reference to the projected capital requirement of the operation of the Joint Venture Company.

Term

The Joint Venture Company will have a term of 20 years (the “**Term**”) commencing from the date of issuance of business license of the Joint Venture Company. Upon the expiry of the Term, the Joint Venture Company shall be liquidated and the assets of the Joint Venture Company will be distributed to the Company and SouFun Holdings by means of distribution in specie according to their respective shareholding as of the date of liquidation.

Board Composition and Board Resolutions

The board of directors of the Joint Venture Company will comprise five directors, of which SouFun Holdings shall have the rights to appoint three members (including the chairman of the board of directors) and the Company shall have the rights to appoint two members (including the vice chairman of the board of directors). All resolutions of the board of directors of the Joint Venture Company shall be approved by at least a half of the directors attending the meeting.

Conditions precedent of the Formation of Joint Venture Company

The Formation of Joint Venture Company is conditional upon fulfillment of the condition that the Company and SouFun Holdings has contributed its respective capital contribution to the Joint Venture Company.

GENERAL

Information of the parties

The Group is principally engaged in real estate agent business for primary and secondary property markets in PRC. The Group provides comprehensive value-added services ranging from planning of marketing programmes to handling of property sales and mortgage arrangements.

China-net is an investment holding company.

SouFun Holdings is a company listed on The New York Stock Exchange (NYSE:SFUN) operating real estate Internet portal in PRC. Through its websites, SouFun Holdings provides marketing, ecommerce, listing, and other value-added services for PRC's real estate and home-related sectors.

General mandate

The SouFun Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with up to 101,533,826 Shares, which was granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company on 6 June 2014.

As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

Specific mandate

The China-net Subscription Shares will be allotted and issued under a specific mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM. The general mandate of the Company will not be used for the issue of the China-net Subscription Shares.

Implications of the Listing Rules

China-net is wholly-owned by Mr. Fu, a controlling Shareholder who is interested in 183,427,467 Shares, representing approximately 35.03% of the issued share capital of the Company as at the date of this announcement. China-net is therefore a connected person of the Company under the Listing Rules and the China-net Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements thereunder. The Company will seek the Independent Shareholders' approval for the China-net Subscription Agreement and the transactions contemplated thereunder at the EGM.

Upon the China-net Subscription Completion and the SouFun Subscription Completion, the direct and indirect shareholding of Mr. Fu will decrease from approximately 35.03% to approximately 34.33% of the then issued share capital of the Company as enlarged by the allotment and issue of the SouFun Subscription Shares and the China-net Subscription Shares in aggregate.

As the applicable percentage ratios in respect of the Formation of the Joint Venture Company contemplated under the Joint Venture Agreement exceed 5% but are less than 25%, the entering into of the Joint Venture Agreement constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is subject to, the reporting and announcement requirements under the Listing Rules.

Save as disclosed in the paragraph headed “Changes to the shareholding as a result of the SouFun Subscription and the China-net Subscription” below, none of China-net or any person acting or presumed to be acting in concert with it owns or has control or direction over any voting right in or rights over any Shares or any convertible securities, warrants or options in respect of the Shares, or any outstanding derivative in respect of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; nor is there any arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of China-net and which might be material to the transactions contemplated under the China-net Subscription Agreement, or any agreements or arrangements to which China-net or any person acting or presumed to be acting in concert with it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the China-net Subscription Agreement. None of China-net or any persons acting or presumed to be acting in concert with it has received an irrevocable commitment to vote for or against the resolutions relating to the China-net Subscription Agreement. Further, none of China-net or any persons acting or presumed to be acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving the China-net Subscription Agreement and the transactions contemplated thereunder including, among other things, the grant of the specific mandate to allot and issue the China-net Subscription Shares.

In accordance with the Listing Rules, (i) China-net and its associate; (ii) any parties acting in concert with China-net; or (iii) any parties presumed to be acting in concert with China-net; and (iv) parties involved or interested in the China-net Subscription; will be required to abstain from voting on the resolution(s) to approve the China-net Subscription and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the China-net Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the China-net Subscription Agreement and the transactions contemplated thereunder at the EGM.

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lam King Pui, Mr. Ng Keung and Mrs. Wong Law Kwai Wah, Karen, has been established to advise the Independent Shareholders in respect of the China-net Subscription Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) further details of the China-net Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the China-net Subscription Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser in relation to the China-net Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or about 7 October 2014.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the SouFun Subscription Shares and the China-net Subscription Shares.

REASONS FOR THE SOUFUN SUBSCRIPTION, THE CHINA-NET SUBSCRIPTION AND THE FORMATION OF JOINT VENTURE COMPANY

The Company has been planning to reinforce its real estate property internet business, in view of the rapid development of the Online-to-Offline sales platform of properties in the PRC and in order to effectively consolidate its leading market position, the Company believes linking up with a top real estate website will enable it to ride on the e-commerce competitive edge, broaden the customer base and improve its various value-added services. The Company considers SouFun Holdings an ideal partner for cooperation in this regard. Hence, the Company has entered into the Framework Agreement to further enhance the Company's ability to provide value-added services to its clients and capture greater business opportunities. The China-net Subscription Agreement, the SouFun Subscription Agreement and the Joint Venture Agreement have been signed to give effect to the terms of the Framework Agreement. While the SouFun Subscription is one of the transactions specifically contemplated under the Framework Agreement, the China-net Subscription is needed to enable the condition that the existing controlling shareholder of the Company continues to hold not less than 30% of the issued share capital of the Company on a fully diluted basis be met. The Directors (including the independent non-executive Directors) consider the terms of the SouFun Subscription Agreement to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Directors (other than members of the Independent Board Committee whose view will be formed after obtaining the advice of the independent financial adviser) consider the terms of the China-net Subscription Agreement and the transactions contemplated thereunder to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the SouFun Subscription and the China-net Subscription are expected to be approximately HK\$399,000,000 in aggregate. After deducting related professional fees and all related expenses which will be borne by the Company, the net proceeds of the SouFun Subscription and the China-net Subscription will amount to approximately HK\$395,000,000. The Company intends to apply the net proceeds from the SouFun Subscription and the China-net Subscription (i) to conduct real estate financial and Internet financial services businesses and (ii) for general working capital of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not raised funds on any issue of equity securities in the past 12 months immediately before the date of this announcement.

CHANGES TO THE SHAREHOLDING AS A RESULT OF THE SOUFUN SUBSCRIPTION AND THE CHINA-NET SUBSCRIPTION

As at the date of this announcement, the Company has 523,701,909 Shares in issue. Set out below is a table showing the shareholding structure of the Group (i) as at the date of this announcement; and (ii) immediately upon the simultaneous SouFun Subscription Completion and China-net Subscription Completion.

	At the date of this announcement		Immediately upon the simultaneous SouFun Subscription Completion and China-net Subscription Completion	
<i>Mr. Fu and his concert parties</i>		%		%
Mr. Fu (<i>note 1</i>)	183,427,467	35.03	183,427,467	27.93
China-net	<u>—</u>	<u>—</u>	<u>42,000,000</u>	<u>6.40</u>
Total	183,427,467	35.03	225,427,467	34.33
Public	340,274,442	64.97	340,274,442	51.81
SouFun Holdings	<u>—</u>	<u>—</u>	<u>91,000,000</u>	<u>13.86</u>
	<u>340,274,442</u>	<u>64.97</u>	<u>431,274,442</u>	<u>65.67</u>
Total	<u>523,701,909</u>	<u>100</u>	<u>656,701,909</u>	<u>100</u>

Notes:

- Mr. Fu's interests include 174,184,799 shares held through Fu's Family Limited, 8,410,334 shares held by himself and 832,334 shares held by his spouse, Ms. Ng Wan, who is also a Director.

The China-net Subscription, the SouFun Subscription and the Formation of the Joint Venture Company are subject to the satisfaction of certain conditions precedent. Accordingly, the China-net Subscription, the SouFun Subscription and the Formation of the Joint Venture Company may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisors if they are in any doubt about their position and actions that they should take.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China-net”	China-net Holding Ltd., a company incorporated in the BVI which is 100% owned by Mr. Fu
“China-net Subscription”	subscription of China-net Subscription Shares by China-net at the China-net Subscription Price pursuant to the China-net Subscription Agreement
“China-net Subscription Agreement”	the subscription agreement dated 12 September 2014 entered into between the Company and China-net in respect of the China-net Subscription
“China-net Subscription Completion”	completion of the China-net Subscription in accordance with the terms and conditions of the China-net Subscription Agreement
“China-net Subscription Price”	the subscription price of HK\$3.00 per China-net Subscription Share
“China-net Subscription Shares”	42,000,000 new Shares to be allotted and issued by the Company to China-net under the China-net Subscription
“Company”	Hopefluent Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the China-net Subscription Agreement and the transactions contemplated thereunder including, among other things, the grant of the specific mandate to allot and issue the China-net Subscription Shares
“Formation of Joint Venture Company”	the formation of the Joint Venture Company by the Company and SouFun Holdings pursuant to the Joint Venture Agreement

“Group”	the Company and its subsidiaries collectively from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent Board committee, comprising all independent non-executive Directors, namely Mr. Lam King Pui, Mr. Ng Keung and Mrs. Wong Law Kwai Wah, Karen, formed to advise the Independent Shareholders in respect of the China-net Subscription and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than (i) China-net and its associate; (ii) any parties acting in concert with China-net; (iii) any party presumed to be acting in concert with China-net; and (iv) parties involved or interested in the China-net Subscription
“Joint Venture Agreement”	the joint venture agreement dated 12 September 2014 entered into between the Company and SouFun Holdings
“Joint Venture Company”	a joint venture company to be established in the PRC pursuant to the terms and conditions of the Joint Venture Agreement
“Last Trading Day”	12 September 2014, being the date of the China-net Subscription Agreement, the SouFun Subscription Agreement and the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fu”	Mr. Fu Wai Chung, an executive Director and chairman of the Board, and the controlling Shareholder who is interested in 183,427,467 Shares, representing approximately 35.03% interest in the Company as at the date of this announcement
“Mr. Mo”	Mr. Mo Tianquan, controlling shareholder of SouFun Holdings as at the date of this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SEC”	the Securities and Exchange Commission of the United States

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SouFun Holdings”	SouFun Holdings Limited, a company listed on The New York Stock Exchange (NYSE: SFUN)
“SouFun Subscription”	subscription of SouFun Subscription Shares by SouFun Holdings at the SouFun Subscription Price pursuant to the SouFun Subscription Agreement
“SouFun Subscription Agreement”	the subscription agreement dated 12 September 2014 entered into between the Company and SouFun Holdings in respect of the SouFun Subscription
“SouFun Subscription Completion”	completion of the SouFun Subscription in accordance with the terms and conditions of the SouFun Subscription Agreement
“SouFun Subscription Price”	the subscription price of HK\$3.00 per SouFun Subscription Share
“SouFun Subscription Shares”	91,000,000 new Shares to be allotted and issued by the Company to SouFun Holdings under the SouFun Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For the purpose of this announcement and for illustrative purpose only. RMB is converted into HK\$ at the rate of RMB1 : HK\$1.258. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

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

Hong Kong, 12 September 2014

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.

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.