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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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 13 December 2013, GZ Hopefluent Investment (a wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with Mr. Wu and Mr. Gao in relation to the establishment of the Joint Venture Company (subject to the approval of the relevant PRC authorities). The Joint Venture Company will, subject to compliance with the relevant legal/regulatory requirements, principally engage in, among other things, microcredit business in the PRC.

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the capital and investment committed to the establishment of the Joint Venture Company is more than 5% but is less than 25%, the entering into the Joint Venture Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The establishment of the Joint Venture Company is subject to, among other things, all necessary approvals and consents from the relevant PRC governmental and regulatory authorities, which may or may not be forthcoming. The transactions contemplated by the Joint Venture Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise cautions in investing or dealing in the shares of the Company.

THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that on 13 December 2013, GZ Hopefluent Investment (a wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with Mr. Wu and Mr. Gao in relation to the establishment of the Joint Venture Company (subject

to the approval of the relevant PRC authorities). The Joint Venture Company will, subject to compliance with the relevant legal/regulatory requirements, principally engage in, among other things, microcredit business in the PRC.

PRINCIPAL TERMS OF THE JOINT VENTURE AGREEMENT

Date

13 December 2013

Parties

- (1) GZ Hopefluent Investment;
- (2) Mr. Wu; and
- (3) Mr. Gao.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Mr. Wu and Mr. Gao are Independent Third Parties.

Business scope of the Joint Venture Company

The Joint Venture Company will principally engage in, among other things, microcredit business in the PRC.

Total investment

The total investment will be RMB200,000,000 (equivalent to approximately HK\$253,807,000). The amount of the registered capital of the Joint Venture Company shall be decided by the parties.

GZ Hopefluent Investment shall own 92% of the equity interest of the Joint Venture Company and contribute the amount proportionate to its interest to the registered capital of the Joint Venture Company. Mr. Wu shall own 5% of the equity interest of the Joint Venture Company and contribute the amount proportionate to his interest to the registered capital of the Joint Venture Company. Mr. Gao shall own 3% of the equity interest of the Joint Venture Company and contribute the amount proportionate to his interest to the registered capital of the Joint Venture Company. All capital contributions by the parties will be made by cash.

GZ Hopefluent Investment will fund its capital contribution and investment to the establishment of the Joint Venture Company by the Group's internal resources.

Establishment of Joint Venture

The parties agreed that the Joint Venture Company will be owned as to 92% by GZ Hopefluent Investment, 5% by Mr. Wu and 3% by Mr. Gao.

The Joint Venture Company will consult the PRC legal advisers on the legal and regulatory requirements of carrying out the microcredit business in the PRC. If the Joint Venture Company is advised that it is permitted under the relevant PRC laws and regulations for it to carry out the microcredit business in the PRC, the Joint Venture Company will apply directly to the relevant PRC authorities for the relevant approvals and/or licences.

If the PRC legal advisers advised that the Joint Venture Company will not be permitted under the PRC laws for carrying out the microcredit business in the PRC, the parties will find another company already established in the PRC with the relevant approvals or licences from the relevant PRC authorities for engaging the microcredit business in the PRC (“**the OPCO**”) for the purpose of starting the microcredit business in the PRC. In such case, the Joint Venture Company shall enter into the Structure Agreements with the OPCO and/or the shareholders of OPCO, in order to satisfy the relevant PRC laws and regulations relating to microcredit business in the PRC. The necessary documents for the Structure Agreements are summarized below:

(i) *Exclusive Technical Consultancy and Services Agreement to be entered into between the Joint Venture Company and the OPCO*

The OPCO engages the Joint Venture Company to provide technical consultancy services in consideration of a technical consultancy service fee equivalent to all of the OPCO’s net profit.

(ii) *Equity Pledge Agreement between the Joint Venture Company and each of the shareholders of the OPCO*

Each of the shareholders of the OPCO pledges all of his/her equity interests in the OPCO to the Joint Venture Company as security for the performance of the Exclusive Technical Consultancy and Services Agreement (including other related agreements) by the OPCO, including but not limited to, the payment of the technical consultancy service fee to the Joint Venture Company.

(iii) *Exclusive Purchase Agreement between the Joint Venture Company, the OPCO and each of the shareholders of the OPCO*

The Joint Venture Company is to be granted an exclusive right to acquire, directly or through one or more nominees, from each of the shareholders of the OPCO, his/her entire or part of his/her equity interest in the OPCO at a consideration based on his/her contribution to the registered capital of the OPCO as permitted under the applicable PRC laws, while the Joint Venture Company may exercise such option at any time and in any manner at its sole discretion.

(iv) *Irrevocable Power of Attorney executed by each of the shareholders of the OPCO*

Each of the shareholders of the OPCO authorises the Joint Venture Company or its nominee to exercise his/her voting rights as being the shareholder of the OPCO.

(v) *Any other documents to be signed for the execution and the performance of the Structure Agreements*

Board composition

The board of directors of the Joint Venture Company will comprise 5 directors. The GZ Hopefluent Investment is entitled to nominate 3 directors, Mr. Wu is entitled to nominate 1 director and Mr. Gao is entitled to nominate 1 director.

The chairman of the board of directors and the legal representative of the Joint Venture Company shall be nominated by GZ Hopefluent Investment.

Other Terms

The term of operation of the Joint Venture Company will be 15 years. The term of operation can be extended by the shareholders' meeting of the Joint Venture Company.

The Joint Venture Agreement is governed by the PRC laws.

INFORMATION ABOUT GZ HOPEFLUENT INVESTMENT

GZ Hopefluent Investment is a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The principal activities of the Group comprise the provision of real estate agency services and property management services in the PRC. The Group has been actively seeking alternative investment opportunities to utilize available funds in order to improve the Group's performance and to enhance Shareholders' returns. In view of the continuing growth of the microcredit market in the PRC, the Directors believe that the investment in the Joint Venture Company is viable and beneficial to the Company and the Shareholders as a whole. The Directors also consider that the terms of the Joint Venture Agreement are in the interests of the Shareholders as a whole and the transactions contemplated under the Joint Venture Agreement is in the ordinary and usual course of business, on normal commercial terms and is fair and reasonable.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the capital and investment committed to the establishment of the Joint Venture Company is more than 5% but is less than 25%, the entering into the Joint Venture Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The establishment of the Joint Venture Company is subject to, among other things, all necessary approvals and consents from the relevant PRC governmental and regulatory authorities, which may or may not be forthcoming. The transactions contemplated by the Joint Venture Agreement therefore may or may not proceed. Investors or prospective investors are advised to exercise cautions in investing or dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of the Directors
“Directors”	the directors of the Company
“Equity Pledge Agreement”	the equity pledge agreement to be entered into between the Joint Venture Company and each of the shareholders of the OPCO, pursuant to which, each of the shareholders of the OPCO pledge all of his/her equity interests in the OPCO to the Joint Venture Company as security for the performance of the Exclusive Technical Consultancy and Services Agreement (including other related agreements) by the OPCO, including but not limited to, the payment of the technical consultancy service fee to the Joint Venture Company
“Exclusive Purchase Agreement”	the exclusive purchase agreement to be entered into between the Joint Venture Company, the OPCO and each of the shareholders of the OPCO, pursuant to which, the Joint Venture Company is to be granted an exclusive right to acquire, directly or through one or more nominees, from each of the shareholders of the OPCO, his/her entire or part of his/her equity interest in the OPCO at a consideration based on his/her contribution to the registered capital of the OPCO as permitted under the applicable PRC laws, while the Joint Venture Company may exercise such option at any time and in any manner at its sole discretion
“Exclusive Technical Consultancy and Services Agreement”	the exclusive technical consultancy and services agreement to be entered into between the Joint Venture Company and the OPCO, pursuant to which, the OPCO engages the Joint Venture Company to provide technical consultancy services in consideration of a technical consultancy service fee equivalent to all of the OPCO’s net profit

“GZ Hopefluent Investment”	廣州合富輝煌投資諮詢有限公司 (in English, for identification purpose only, Guangzhou Hopefluent Investment Consultancy Limited), a wholly foreign-owned enterprise established under the laws of the PRC and wholly-owned by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third party(ies)”	a party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected person (as defined in the Listing Rules) of the Company
“Irrevocable Power of Attorney”	the power of attorney to be executed by each of the shareholders of the OPCO, pursuant to which, each of the shareholders of the OPCO authorises the Joint Venture Company or its nominee to exercise his/her voting rights as being the shareholder of the OPCO
“Joint Venture Agreement”	the joint venture agreement dated 13 December 2013 entered into among GZ Hopefluent Investment, Mr. Wu and Mr. Gao
“Joint Venture Company”	the joint venture company to be incorporated in the PRC pursuant to the Joint Venture Agreement, the equity interest of which will be owned as to 92% by GZ Hopefluent Investment, 5% by Mr. Wu and 3% by Mr. Gao.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Gao”	Mr. Gao Dele (高德樂), party to the Joint Venture Agreement
“Mr. Wu”	Mr. Wu Ziting (伍子廷), party to the Joint Venture Agreement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, lawful currency of the People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Structure Agreements” the Exclusive Technical Consultancy and Services Agreement, the Equity Pledge Agreement, the Exclusive Purchase Agreement and the Irrevocable Power of Attorney

“%” per cent

For the purpose of this announcement, the exchange rate at HK\$1.00 = RMB0.788 has been used, where applicable, for purpose of illustration only.

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

Hong Kong, 13 December 2013

As at the date of this announcement, the board of directors of the Company consist of the executive directors namely Mr. FU Wai Chung, Ms. NG Wan, Ms. FU Man and Mr. LO Yat Fung and the independent non-executive directors namely Mr. Lam King Pui, Mr. NG Keung and Mrs. WONG Law Kwai Wah, Karen.