

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hopefluent Group Holdings Limited**, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form(s) of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offer.



China-net Holding Ltd.
*(Incorporated in British Virgin Islands
with limited liability)*

**Country Garden Property
Services HK Holdings
Company Limited**
*(Incorporated in Hong Kong
with limited liability)*

**Hopefluent Group
Holdings Limited**
*(Incorporated in the Cayman Islands
with limited liability)*
(Stock code: 733)

**COMPOSITE OFFER AND RESPONSE DOCUMENT
RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY
ABCI CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA-NET HOLDING LTD. AND COUNTRY GARDEN PROPERTY
SERVICES HK HOLDINGS COMPANY LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY CHINA-NET HOLDING LTD. AND COUNTRY GARDEN
PROPERTY SERVICES HK HOLDINGS COMPANY LIMITED
AND/OR PARTIES ACTING IN CONCERT WITH THEM)**

Financial adviser to the Joint Offerors



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document.

A letter from ABCI Capital containing, among other things, principal terms of the Offer is set out on pages 7 to 15 of this Composite Document. A letter from the Board is set out on pages 16 to 23 of this Composite Document.

A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 24 to 25 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 26 to 47 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance. Form(s) of Acceptance should be received by the Registrar as soon as possible and in any event not later than 4:00 p.m. on Wednesday, 17 June 2020 (or such later time and/or date as the Joint Offerors may determine and the Joint Offerors and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any person including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompany Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "IMPORTANT NOTICES" contained in this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

27 May 2020

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IMPORTANT NOTICES

NOTICE TO INDEPENDENT SHAREHOLDERS OUTSIDE HONG KONG

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are resident, the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). The Joint Offerors, the Company, their respective ultimate beneficial owners and parties acting in concert, ABCI Capital, Octal Capital, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Please see the sub-paragraph headed “Overseas Shareholders” in the “Letter from ABCI Capital” in this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties as well as assumptions. All statements others than statements of historical facts are statements that could be deemed forward-looking statements. The forward-looking statements included in this Composite Document are made only as at the Latest Practicable Date. The Joint Offerors and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations including but not limited to the Listing Rules and/or the Takeovers Code.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Joint Offerors and the Company.

2020

Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and commencement date of the Offer (<i>Note 1</i>)	Wednesday, 27 May
Latest time and date for acceptance of the Offer (<i>Note 2</i>).....	4:00 p.m. on Wednesday, 17 June
Closing Date (<i>Note 2</i>)	Wednesday, 17 June
Announcement of the results of the Offer, to be posted on the website of the Stock Exchange (<i>Note 2</i>).....	No later than 7:00 p.m. on Wednesday, 17 June
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>Note 3</i>).....	Monday, 29 June

Notes:

- (1) The Offer, which is unconditional in all aspects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until the Closing Date.
- (2) In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance will be at 4:00 p.m. on Wednesday, 17 June 2020 unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code. The Joint Offerors and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on Wednesday, 17 June 2020 stating whether the Offer has been extended, revised or expired. In the event that the Joint Offerors decide to revise or extend the Offer, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph headed "4. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.
- (4) If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning or "extreme conditions" caused by a super typhoon is announced by the Government of Hong Kong:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day;

EXPECTED TIMETABLE

- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for the acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected, the Joint Offerors and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

All references to dates and times contained in this Composite Document and the accompanying Form(s) of Acceptance refer to Hong Kong dates and times.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings.

“ABCI Capital”	ABCI Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Joint Offerors
“ABCI Finance Documents”	the credit facility agreement entered into between ABCI Securities as lender and the Purchaser as borrower among others, in relation to a credit facility which may be used by the Purchaser for the acquisition of the Offer Shares under the Offer and the relevant security documents (including, among others, share charges over (i) the aggregate of 260,325,467 Shares, representing approximately 38.62% of the total issued share capital of the Company as at the date of this Composite Document, held by the Purchaser Concert Group immediately prior to the Acquisitions; (ii) the Sale Shares acquired by the Purchaser under the Acquisitions; and (iii) the Offer Shares to be acquired by the Purchaser under the Offer)
“ABCI Securities”	ABCI Securities Company Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activity under the SFO
“Acquisitions”	the purchase of the Sale Shares by the Purchaser from the Vendors in accordance with the terms and conditions of the Share Purchase Agreements
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted Offer Price”	HK\$1.42, being HK\$1.50 minus the Declared Dividend, per Offer Share for each Offer Share transferred to any of the Joint Offerors after the Record Date
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Bravo Group”	Bravo Group Holdings Limited is a company incorporated in Hong Kong with limited liability and wholly owned by Win Ever
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands

DEFINITIONS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CGSH”	Country Garden Services Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 6098)
“CGPS HK”	Country Garden Property Services HK Holdings Company Limited, a company incorporated in Hong Kong with limited liability, being one of the Joint Offerors and an indirect wholly-owned subsidiary of CGSH
“Closing Date”	17 June 2020, the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined by the Joint Offerors and jointly announced by the Joint Offerors and the Company, with the consent of the Executive, in accordance with the Takeovers Code
“Company”	Hopefluent Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the Main Board (stock code: 733)
“Completion”	completion of the Acquisitions in accordance with the terms and conditions of the Share Purchase Agreements
“Completion Date”	17 April 2020, being the date of Completion in accordance with the terms of the Share Purchase Agreements
“Composite Document”	this composite offer and response document jointly issued by the Joint Offerors and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the forms of acceptance and transfer), a letter of recommendation from the Independent Board Committee, and a letter of advice from the Independent Financial Adviser
“Concert Group Agreement”	the conditional concert group agreement dated 15 April 2020 between the Purchaser and CGPS HK
“core connected person”	has the meaning ascribed thereto in the Listing Rules
“Declared Dividend”	the final dividends for the year ended 31 December 2019 of HK8 cents per Share as proposed by the Board and subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Form(s) of Acceptance”	the form(s) of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“Fu’s Family Internal Resources”	the internal resources of (i) Mr. Fu; and (ii) companies wholly and beneficially owned by Mr. Fu Ear Ly
“Group”	the Company together with its subsidiaries
“Happy Chord”	Happy Chord Limited, a company incorporated in BVI with limited liability, which owns approximately 2.72% of the total issued share capital of the Company as at the date of this Composite Document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors who have no direct or indirect interest in the Offer, established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to acceptance of the Offer
“Independent Shareholder(s)”	holder(s) of Share(s), other than the Joint Offerors and parties acting in concert with any of them
“Joint Announcement”	the announcement jointly published by the Joint Offerors and the Company dated 28 April 2020 in relation to, among others, the Acquisitions and the Offer

DEFINITIONS

“Joint Offerors”	collectively, the Purchaser and CGPS HK
“Last Trading Day”	15 April 2020, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	22 May 2020, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Mr. Fu”	Mr. Fu Wai Chung, the chairman and an executive director of the Company
“Mr. Fu Ear Ly”	Fu Ear Ly, the son of Mr. Fu and Ms. Ng Wan
“Offer”	the mandatory unconditional cash offer made by ABCI Capital, on behalf of the Joint Offerors, to acquire all the issued Shares not already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them subject to the conditions summarised in this Composite Document and in accordance with the Takeovers Code
“Offer Period”	the period from 28 April 2020, being the date of the Joint Announcement, and up to and including the Closing Date, or such other time and/or date to which the Joint Offerors may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$1.50 per Offer Share for each Offer Share transferred to any of the Joint Offerors before the Record Date or the Adjusted Offer Price per Offer Share for each Offer Share transferred to any of the Joint Offerors after the Record Date
“Offer Shares”	any of the 333,780,182 Shares that are subject to the Offer
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company is/are outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	China-net Holding Ltd., a company incorporated in the BVI with limited liability, being the purchaser under the Share Purchase Agreements and one of the Joint Offerors
“Purchaser Concert Group”	the parties acting in concert or presumed to be acting in concert with the Purchaser under the Takeovers Code, including Mr. Fu, Ms. Ng Wan, Mr. Fu Ear Ly, Fu’s Family Limited, Win Ever and Bravo Group but excluding CGPS HK
“Record Date”	10 July 2020, being the expected record date for the purpose of ascertaining the entitlements to the final dividends for the year ended 31 December 2019 of HK8 cents per Share as proposed by the Board and subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing on 28 October 2019, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale Shares”	61,700,263 Shares agreed to be sold by Vendors A and agreed to be acquired by the Purchaser pursuant to the terms and conditions of Share Purchase Agreement A and one share of Happy Chord agreed to be sold by the Vendor B and agreed to be acquired by the Purchaser pursuant to the terms and conditions of Share Purchase Agreement B
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the 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
“Share Purchase Agreement A”	the conditional agreement dated 15 April 2020 and entered into among Vendors A and the Purchaser for the sale and purchase of a total of 61,700,263 Shares

DEFINITIONS

“Share Purchase Agreement B”	the conditional agreement dated 15 April 2020 and entered into among Vendor B and the Purchaser for the sale and purchase of one share of Happy Chord representing its entire issued share capital
“Share Purchase Agreements”	collectively, Share Purchase Agreement A and Share Purchase Agreement B
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendors A”	collectively, Mr. Chan Kim Ping, Mr. Liang Guohong, Ever Founder (China) Limited, Ms. Yi Jian, Ms. Yang Xiaojia, Wan Ying Holdings Limited and Apex Honour Investments Limited Ever Founder (China) Limited is a company incorporated in Hong Kong with limited liability and beneficially and wholly owned by Mr. Zheng Songjie Wan Ying Holdings Limited is a company incorporated in BVI with limited liability and is beneficially and wholly owned by Mr. Deng Ting Apex Honour Investments Limited is a company incorporated in BVI with limited liability and is beneficially and wholly owned by Ms. Cui Ran Mr. Liang Guohong, Ms. Yi Jian, Ms. Yang Xiaojia and Mr. Zheng Songjie are each an employee of the Group
“Vendor B”	Mr. Tan Liangtao
“Vendors”	collectively, Vendors A and Vendor B
“Win Ever”	Win Ever Group Holdings Ltd, a company incorporated in BVI with limited liability and wholly owned by Mr. Fu Ear Ly
“%”	per cent.

Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.



ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

To the Independent Shareholders:

27 May 2020

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
ABCI CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA-NET HOLDING LTD. AND COUNTRY GARDEN PROPERTY
SERVICES HK HOLDINGS COMPANY LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS AND/OR
PARTIES ACTING IN CONCERT WITH THEM)**

(I) INTRODUCTION

Reference is made to the Joint Announcement.

Completion under the Share Purchase Agreements took place simultaneously on 17 April 2020.

Immediately after the Acquisitions, the Purchaser was interested in 130,762,340 Shares, representing approximately 19.39% of the total issued share capital of the Company, and together with the Purchaser Concert Group, were interested in a total of 340,369,807 Shares, representing approximately 50.49% of the total issued share capital of the Company. The Purchaser is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it.

CGPS HK (being the other one of the Joint Offerors) and parties acting in concert with it (other than the Purchaser and the Purchaser Concert Group) were/are not interested in any Share immediately prior to and after the Acquisitions and as at the Latest Practicable Date. In connection with the mandatory unconditional cash offer which the Purchaser is required to make pursuant to Rule 26.1 of the Takeovers Code as a result of the Acquisitions, the Purchaser and CGPS HK entered into the Concert Group Agreement and will jointly make the Offer through ABCI Capital in accordance with the Takeovers Code and the terms and conditions of the Concert Group Agreement.

LETTER FROM ABCI CAPITAL

The purpose of this letter is to provide you with, inter alia, information on the Offer, the Joint Offerors and their intention regarding the Group. Further terms of the Offer and the procedures of acceptance are set out in this letter and in Appendix I to this Composite Document and the Form(s) of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and the Form(s) of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

(II) CONCERT GROUP AGREEMENT

On 15 April 2020 (after trading hours), the Purchaser and CGPS HK entered into the Concert Group Agreement, which took effect on the Completion Date. Pursuant to the Concert Group Agreement, the Purchaser and CGPS HK agreed to accept and acquire all the Offer Shares tendered by the Shareholders to the Joint Offerors on the following basis and proportions:

- (i) CGPS HK will first purchase and accept the Offer Shares subject to the lower of (a) a maximum purchase amount of HK\$120,000,000 (excluding any stamp duty and expenses in connection with such purchase); and (b) a maximum number of 67,380,000 Shares which is less than 10% of the total issued share capital of the Company; and
- (ii) the remaining Offer Shares will be purchased and accepted by the Purchaser.

On the basis of the offer price of HK\$1.50 per Offer Share, CGPS HK will first purchase up to a maximum of 67,380,000 Offer Shares, representing approximately 9.99% of the total issued share capital of the Company as at the Latest Practicable Date, and pay an amount of HK\$101,070,000 for such Offer Shares. Any additional Offer Shares tendered in the Offer will be acquired and paid for by the Purchaser.

(III) THE OFFER

Principal terms of the Offer

ABCI Capital is making the Offer for and on behalf of the Joint Offerors, to acquire the Offer Shares on the following basis:

For each Offer Share HK\$1.50 in cash

The Offer is not conditional upon any minimum level of acceptance of the Offer and is unconditional in all aspects. The Offer will close on 17 June 2020 unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code.

LETTER FROM ABCI CAPITAL

As at the Latest Practicable Date, there were 674,149,989 Shares in issue and the Joint Offerors and parties acting in concert with them held in aggregate 340,369,807 Shares. 333,780,182 Shares will be subject to the Offer. Based on the offer price of HK\$1.50 per Offer Share, the maximum consideration of the Offer would be HK\$500,670,273.

The offer price of HK\$1.50 for each Offer Share is the same as the price paid for each Sale Share by the Purchaser to the Vendors pursuant to the Share Purchase Agreements.

Based on the offer price of HK\$1.50 for each Offer Share and 674,149,989 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at approximately HK\$1,011,224,983.50.

The Offer will extend to all Shares in issue on the date on which the Offer is made, i.e. the date of this Composite Document, other than those Shares held by the Joint Offerors and persons acting in concert with them.

The Shares to be acquired under the Offer shall be fully paid, free from all encumbrances and with all rights and benefits accruing and attached to them, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, i.e. the date of this Composite Document. A final dividend of HK8 cents per Share was proposed by the Board for the year ended 31 December 2019 as disclosed in the Company's announcement dated 30 March 2020. Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on or about 30 July 2020 to Shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2020. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors before the Record Date, the declared dividend in respect of such Offer Shares will become its entitlement. **In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors after the Record Date, the declared dividend in respect of such Offer Shares will be the entitlement of the Shareholders whose names appear on the register of members of the Company on the Record Date, and the Offer Price after deducting the declared dividend, i.e. the Adjusted Offer Price of HK\$1.42, will become the consideration for each Offer Share for such Shareholders.**

Comparison of value

The offer price of the Offer of HK\$1.50 per Offer Share represents:

- a premium of approximately 7.14% on the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 8.70% on the average closing price of approximately HK\$1.38 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

LETTER FROM ABCI CAPITAL

- a premium of approximately 11.94% on the average closing price of approximately HK\$1.34 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 7.14% on the average closing price of approximately HK\$1.40 as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 69.07% over the Group's audited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$4.85 as at 31 December 2019;
- the same as the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Highest and lowest Share Prices

The highest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$1.83 per Share on 25 October 2019.

The lowest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$1.29 on 31 March 2020.

As at the Latest Practicable Date, save for the 674,149,989 Shares in issue, the Company had no other outstanding options, warrants, derivatives or convertibles in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Value of the Offer

Based on the above, 333,780,182 Shares will be subject to the Offer and if accepted in full, the value of the Offer and the maximum total consideration to be paid for the Offer will be approximately HK\$500,670,273.

The Joint Offerors have not received any indication or irrevocable commitment from any Shareholder that he/she/it will accept or reject the Offer as at the Latest Practicable Date.

Financial resources available to the Joint Offerors

The Joint Offerors intend to finance the Offer by its internal resources (in the case of CGPS HK) and Fu's Family Internal Resources and a credit facility provided by ABCI Securities (in the case of the Purchaser).

The credit facility provided by ABCI Securities to the Purchaser which may be used by the Purchaser for the acquisition of the Offer Shares under the Offer and is secured by, among others, share charges over (i) the aggregate of 260,325,467 Shares, representing

LETTER FROM ABCI CAPITAL

approximately 38.62% of the total issued share capital of the Company as at the date of this Composite Document, held by the Purchaser Concert Group immediately prior to the Acquisitions; (ii) the Sale Shares acquired by the Purchaser under the Acquisitions; and (iii) the Offer Shares to be acquired by the Purchaser under the Offer.

ABCI Capital, the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are, and will remain, available to the Joint Offerors to satisfy full acceptance of the Offer.

The Purchaser does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Group.

Compulsory acquisition

The Joint Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

Effect of accepting the Offer

The Offer is unconditional in all aspects and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. By accepting the Offer, the Independent Shareholders will sell their Shares free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching to them including, without limitation, the right to receive all dividends and distributions which may be declared, paid or made, if any, at any time on or after the date on which the Offer is made, i.e. the date of this Composite Document. A final dividend of HK8 cents per Share was proposed by the Board for the year ended 31 December 2019 as disclosed in the Company's announcement dated 30 March 2020. Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on or about 30 July 2020 to Shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2020. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors before the Record Date, the declared dividend in respect of such Offer Shares will become its entitlement. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors after the Record Date, the declared dividend in respect of such Offer Shares will be the entitlement of the Shareholders whose names appear on the register of members of the Company on the Record Date, and the Offer Price after deducting the declared dividend, i.e. the Adjusted Offer Price of HK\$1.42, will become the consideration for each Offer Share for such Shareholders. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the paragraph headed "4. Right of withdrawal" in Appendix I to this Composite Document.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Joint Offerors in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the consideration payable to the relevant Shareholders on acceptances of the Offer. The Joint Offerors will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed Form(s) of Acceptance and the relevant document(s) of title in respect of such acceptance(s) are received by the Registrar to render each such acceptance of the Offer complete and valid.

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors, parties acting in concert with the Joint Offerors, the Company, ABCI Capital, Octal Capital, the Registrar and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interests in the Company's securities

The Joint Offerors and parties acting in concert with any of them have not dealt in the shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period, save for the Acquisitions under the Share Purchase Agreements to which the Purchaser is a party.

Overseas Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

LETTER FROM ABCI CAPITAL

According to the register of members of the Company as at the Latest Practicable Date, there was one Overseas Shareholder with registered address located in the PRC. The Joint Offerors were advised by their PRC legal adviser that this Composite Document and the accompanying Form(s) of Acceptance may be despatched to such Overseas Shareholder and will do so accordingly.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Joint Offerors that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

(IV) INFORMATION ON THE GROUP

Information on the Group is set out in the “Letter from the Board” as contained in this Composite Document. Financial information on the Group is set out in Appendix II to this Composite Document.

(V) INFORMATION ON THE JOINT OFFERORS

The Joint Offerors are China-net Holding Ltd. and Country Garden Property Services HK Holdings Company Limited.

Information on China-net Holding Ltd.

China-net Holding Ltd. is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, save for holding of the Shares, it was not engaged in any other business activities. As at the Latest Practicable Date, its sole director and sole legal and beneficial owner was Mr. Fu, the chairman and an executive director of the Company.

Information on Country Garden Property Services HK Holdings Company Limited

CGPS HK, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of CGSH, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 6098). CGSH and CGPS HK are investment holding companies, together with their subsidiaries, principally engaged in provision of property management services, community value-added services and value-added services to non-property owners and provision of heat supply services in the PRC. The ultimate controlling shareholder of CGSH is Ms. Yang Huiyan, who was interested in approximately 52.70% of the total issued shares of CGSH as at the Latest Practicable Date.

Both CGSH and the Company are engaged in the property industry in the PRC. CGSH and its subsidiaries are principally engaged in, among others, provision of property management services while the Company and its subsidiaries are principally engaged in property real estate agency businesses.

LETTER FROM ABCI CAPITAL

(VI) PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Given that (i) the maximum potential shareholding of CGPS HK in the Company upon the close of the Offer is less than 10%; and (ii) CGPS HK is not controlled by or otherwise connected with any core connected person of the Company, the Offer Shares that may be acquired by CGPS HK pursuant to the Offer are counted towards the public float of the Company.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of the Joint Offerors and the new Directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

(VII) INTENTIONS OF THE JOINT OFFERORS REGARDING THE GROUP

Immediately following the close of the Offer, the Joint Offerors intend that the Group will continue its existing property real estate agency businesses.

The Joint Offerors intend to continue the employment of the existing management and employees of the Group. Any future changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the intention of the Joint Offerors regarding the Group as set out above, (i) the Joint Offerors have no intention to make material changes to the employment of the employees of the Group; (ii) the Joint Offerors have no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has any of the Joint Offerors entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

(VIII) ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

LETTER FROM ABCI CAPITAL

(IX) GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Shareholders is drawn to paragraph headed “6. Overseas Shareholders” of Appendix I to this Composite Document. All documents and remittances to be sent to the Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as they appear in the register of the members of the Company or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. The Joint Offerors and parties acting in concert with them, the Company, ABCI Capital, the Registrar or professional advisers or any of their respective directors or any other parties involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

(X) ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document and the Form(s) of Acceptance before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
ABCI Capital Limited

Kevin Ma
Head of Investment Banking
Managing Director

Marco Wong
Executive Director

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. FU Wai Chung
Ms. NG Wan
Ms. FU Man
Mr. LO Yat Fung

Non-executive Director:

Mr. MO Tianquan

Independent non-executive Directors:

Mr. LAM King Pui
Mr. NG Keung
Mrs. WONG LAW Kwai Wah, Karen

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Room 3611, 36th Floor
Shun Tak Centre West Tower
200 Connaught Road Central
Hong Kong

27 May 2020

To the Independent Shareholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
ABCI CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA-NET HOLDING LTD. AND COUNTRY GARDEN PROPERTY
SERVICES HK HOLDINGS COMPANY LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS AND/OR
PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Share Purchase Agreements, the Concert Group Agreement and the Offer.

LETTER FROM THE BOARD

Share Purchase Agreements

The Board has been informed by the Purchaser that, on 15 April 2020 (after trading hours), the Vendors and the Purchaser entered into the Share Purchase Agreements, pursuant to which Purchaser conditionally agreed to purchase (a) an aggregate of 61,700,263 Shares, representing approximately 9.15% of the total issued share capital of the Company as at the date of the Joint Announcement; and (b) one share, representing the entire issued share capital, of Happy Chord, which owned 18,344,077 Shares, representing approximately 2.72% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK\$92,550,394.50 (being HK\$1.50 per Share) and HK\$27,516,115.50 (equivalent to HK\$1.50 per Share on a see-through basis), respectively. Save for the consideration paid for the sale and purchase of the Sale Shares under the Share Purchase Agreements, there is no other consideration, compensation or benefits in whatever form provided by the Joint Offerors or parties acting in concert with any of them to the Vendors or parties acting in concert with any of them in respect of the sale and purchase of the Sale Shares.

Completion under the Share Purchase Agreements took place simultaneously on 17 April 2020. Immediately after the Acquisitions and as at the Latest Practicable Date, the Purchaser was interested in 130,762,340 Shares, representing approximately 19.39% of the total issued share capital of the Company, and together with the Purchaser Concert Group, were interested in a total of 340,369,807 Shares, representing approximately 50.49% of the total issued share capital of the Company. The Purchaser is therefore required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code.

Concert Group Agreement

The Board has been informed by the Purchaser that, on 15 April 2020 (after trading hours), the Purchaser and CGPS HK entered into the Concert Group Agreement, which took effect on the Completion Date. Pursuant to the Concert Group Agreement, the Purchaser and CGPS HK agreed to accept and acquire all the Offer Shares tendered by the Shareholders to the Joint Offerors on the following basis and proportions:

- (i) CGPS HK will first purchase and accept the Offer Shares subject to the lower of (a) a maximum purchase amount of HK\$120,000,000 (excluding any stamp duty and expenses in connection with such purchase); and (b) a maximum number of 67,380,000 Shares which is less than 10% of the total issued share capital of the Company; and
- (ii) the remaining Offer Shares will be purchased and accepted by the Purchaser.

LETTER FROM THE BOARD

Independent Board Committee and Independent Financial Adviser

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the non-executive Directors, namely, Mr. Lam King Pui, Mr. Ng Keung, Mrs. Wong Law Kwai Wah, Karen and Mr. Mo Tianquan, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

As disclosed in the Joint Announcement, Octal Capital has been appointed, with approval of the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee on the Offer.

Further details of the Offer are set out in the “Letter from ABCI Capital” and Appendix I to this Composite Document of which this letter forms part, and in the accompanying Form(s) of Acceptance.

The purpose of this Composite Document, of which this letter forms part, is to provide you with, among other things, information relating to the Company and the Offer, the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer, and the advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from ABCI Capital”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and the accompanying Form(s) of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

ABCI Capital is making the Offer for and on behalf of the Joint Offerors, to acquire the Offer Shares on the terms set out in this Composite Document in accordance with the Takeovers Code on the following basis:

For each Offer Share..... HK\$1.50 in cash

The Offer is not conditional upon any minimum level of acceptance of the Offer and is unconditional in all aspects. The Offer will close on 17 June 2020 unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code.

The offer price of HK\$1.50 for each Offer Share is the same as the price paid for each Sale Share by the Purchaser to the Vendors pursuant to the Share Purchase Agreements.

LETTER FROM THE BOARD

Based on the offer price of HK\$1.50 for each Offer Share and 674,149,989 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at approximately HK\$1,011,224,983.50.

The Offer will extend to all Shares in issue on the date on which the Offer is made, being the date of despatch of this Composite Document, other than those Shares already held by the Joint Offerors and persons acting in concert with them.

As at the Latest Practicable Date, there were 674,149,989 Shares in issue and the Joint Offerors and parties acting in concert with them held in aggregate 340,369,807 Shares, representing approximately 50.49% of the total issued share capital of the Company, and the Company does not have any outstanding options, warrants or derivatives or securities convertible into Shares.

The Joint Offerors intend to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Shares to be acquired under the Offer shall be fully paid, free from all encumbrances and with all rights and benefits accruing and attached to them, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, i.e. the date of this Composite Document. A final dividend of HK8 cents per Share was proposed by the Board for the year ended 31 December 2019 as disclosed in the Company's announcement dated 30 March 2020. Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on or about 30 July 2020 to Shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2020. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors before the Record Date, the declared dividend in respect of such Offer Shares will become its entitlement. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors after the Record Date, the declared dividend in respect of such Offer Shares will be the entitlement of the Shareholders whose names appear on the register of members of the Company on the Record Date, and the Offer Price after deducting the declared dividend, i.e. the Adjusted Offer Price of HK\$1.42, will become the consideration for each Offer Share for such Shareholders. The Offer is unconditional in all aspects. Acceptance of the Offer tendered by the Independent Shareholders shall be unconditional and irrevocable once given and cannot be withdrawn except in circumstances set out in Rule 19.2 of the Takeovers Code.

Your attention is drawn to the further details of the Offer, including the procedures for acceptance of the offer, settlement and acceptance period, as set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

INFORMATION OF THE COMPANY AND THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares have been listed on Main Board since 15 July 2004.

LETTER FROM THE BOARD

The Group is principally engaged in the property real estate agency businesses. The Company mainly operates through two segments. The property real estate agency segment is engaged in the provision of first-hand real estate services to property developers and secondary real estate services. The financial services segment is engaged in the provision of mortgage referral and loan financing services to individuals or companies.

Financial information of the Group

Set out below is a summary of the audited consolidated financial results of the Group on a going concern basis for the financial years ended 31 December 2017, 2018 and 2019, prepared in accordance with the relevant accounting principles and financial regulations applicable to the Hong Kong Financial Reporting Standards, as extracted from the annual reports of the Company for each of the financial years ended 31 December 2017, 2018 and 2019:

	For the year ended 31 December		
	2017	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited and restated)</i>	<i>(audited)</i>
Revenue from continuing operations	4,671,795	4,878,161	6,076,198
Profits before tax	491,231	591,922	640,793
Profit for the year attributable to owners of the Group	336,794	326,999	484,321
	As at 31 December		
	2017	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net assets	2,858,304	3,926,995	4,372,578

Your attention is drawn to the further financial information of the Group set out in Appendix II to this Composite Document as required under the Takeovers Code.

Shareholding structure of the Company before and after the Completion

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$80,000,000 divided into 8,000,000,000 ordinary shares, and there are 674,149,989 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

LETTER FROM THE BOARD

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Joint Offerors				
Purchaser <i>(Notes 1 & 4)</i>	50,718,000	7.52	130,762,340	19.39
CGPS HK	—	—	—	—
Parties acting in concert with the Joint Offerors				
<i>Purchaser Concert Group</i>				
Fu's Family Limited <i>(Note 2)</i>	174,184,799	25.84	174,184,799	25.84
Mr. Fu <i>(Note 1)</i>	28,024,334	4.16	28,024,334	4.16
Ms. Ng Wan <i>(Note 2)</i>	7,398,334	1.10	7,398,334	1.10
<i>Parties acting in concert with CGPS HK</i>				
	—	—	—	—
Sub-total of the Joint Offerors and the parties acting in concert with them				
	260,325,467	38.62	340,369,807	50.49
Other substantial shareholders				
Fang Holdings Limited <i>(Note 3)</i>	111,885,625	16.60	111,885,625	16.60
Vendors <i>(Note 4)</i>				
	80,044,340	11.87	—	—
Independent Shareholders	<u>221,894,557</u>	<u>32.91</u>	<u>221,894,557</u>	<u>32.91</u>
Total:	<u>674,149,989</u>	<u>100.00</u>	<u>674,149,989</u>	<u>100.00</u>

Notes:

1. Mr. Fu is the sole director and sole legal and beneficial owner of the Purchaser.
2. Fu's Family Limited is owned as to 70% by Mr. Fu, 15% by Ms. Ng Wan and 15% by Ms. Fu Man. Ms. Ng Wan is an executive Director and the spouse of Mr. Fu. Ms. Fu Man is an executive Director and the sister of Mr. Fu.
3. Fang Holdings Limited (formerly known as SouFun Holdings Limited) is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the New York Stock Exchange. Next Decade Investments Limited and Media Partner Technology Limited are its

LETTER FROM THE BOARD

controlling shareholders. The shares of Next Decade Investments Limited and Media Partner Technology Limited are held in discretionary trust. The trustees are Caldstone Enterprises Limited, Seletar Limited and Serangoon Limited. The founder of the trust is Mr. Mo Tianquan, the non-executive Director.

4. The above interest of the Vendors immediately before Completion and interest of the Purchaser immediately after Completion and as at the Latest Practicable Date includes the indirect interest in 18,344,077 Shares through the ownership of the one share of Happy Chord.

As disclosed in the “Letter from ABCI Capital” in this Composite Document, CGPS HK will first purchase up to a maximum of 67,380,000 Offer Shares, representing approximately 9.99% of the total issued share capital of the Company as at the Latest Practicable Date, and pay an amount of HK\$101,070,000 for such Offer Shares. Any additional Offer Shares tendered in the Offer will be acquired and paid for by the Purchaser.

For further details of the financial and general information of the Group, please refer to Appendix II and Appendix III to this Composite Document. You are advised to read the “Letter from the Independent Financial Adviser” in this Composite Document in relation to the implications of the Offer.

INFORMATION OF THE JOINT OFFERORS AND THEIR INTENTIONS REGARDING THE GROUP

Your attention is drawn to the paragraphs headed “Information on the Joint Offerors” and “Intentions of the Joint Offerors regarding the Group” in the “Letter from ABCI Capital” as set out on pages 13 to 14 of this Composite Document. The Board is aware of the intentions of the Joint Offerors regarding the Group and is willing to render reasonable co-operation with the Joint Offerors which is in the interests of the Company and the Independent Shareholders as a whole. The Board is aware that the Joint Offerors intend to continue the existing principal business of the Group but will conduct a review to formulate a long-term business strategy for the Group. The Board is aware that the Joint Offerors has no intention to make material changes to the employment of the employees of the Group and has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Given that (i) the maximum potential shareholding of CGPS HK in the Company upon the close of the Offer is less than 10%; and (ii) CGPS HK is not controlled by or otherwise connected with any core connected person of the Company, the Offer Shares that may be acquired by CGPS HK pursuant to the Offer are counted towards the public float of the Company.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

LETTER FROM THE BOARD

it will consider exercising its discretion to suspend dealings in the Shares. The directors of the Joint Offerors and the new Directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Board noted from the “Letter from ABCI Capital” in this Composite Document that the Joint Offerors intend the Company to remain listed on the Stock Exchange after the Closing Date. The Company and the Joint Offerors will issue a separate announcement as and when necessary regarding the decision of any of such steps.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RECOMMENDATION

The Independent Board Committee, comprising all the non-executive Directors, namely, Mr. Lam King Pui, Mr. Ng Keung, Mrs. Wong Law Kwai Wah, Karen and Mr. Mo Tianquan, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Your attention is drawn to the (i) “Letter from the Independent Board Committee” as set out on pages 24 to 25 of this Composite Document; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 26 to 47 of this Composite Document containing their respective advice and recommendation in respect of the Offer and principal factors considered by them in arriving at their advice and recommendation. The Independent Shareholders are recommended to read these letters carefully before taking any action in respect of the Offer.

In considering what actions to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your own professional advisers.

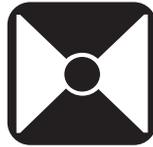
ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document which form part of this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document together with the accompanying Form(s) of Acceptance for further details in respect of the procedures for acceptance of the Offer.

Yours faithfully,
For and on behalf of the Board of
Hopefluent Group Holdings Limited
Fu Wai Chung
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the full text of the letter of recommendation from the Independent Board Committee in respect of the Offer for inclusion in this Composite Document.



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)

27 May 2020

To the Independent Shareholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
ABCI CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA-NET HOLDING LTD. AND COUNTRY GARDEN PROPERTY
SERVICES HK HOLDINGS COMPANY LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS AND/OR
PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

We refer to this Composite Document dated 27 May 2020 jointly issued by the Joint Offerors and the Company of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Composite Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and to make recommendation as to acceptance of the Offer.

Octal Capital Limited has been appointed as the Independent Financial Adviser with our approval to advise us in respect of the terms of the Offer and, in particular, whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation as to acceptance of the Offer. Details of advice from Octal Capital and the principal factors it has taken into consideration in arriving at its recommendations are set out in the “Letter from the Independent Financial Adviser” as set out on pages 26 to 47 of this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Details of the Offer are set out in the “Letter from ABCI Capital”, Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

RECOMMENDATION

Having taken into account the terms of the Offer, the advice and recommendations of Octal Capital and the principal factors taken into consideration by it in arriving at its opinion, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Therefore, we recommend the Independent Shareholders to accept the Offer. The Independent Shareholders should also consider carefully the terms of the Offer and the “Letter from the Independent Financial Adviser” as set out on pages 26 to 47 of this Composite Document and the additional information set out in the appendices to this Composite Document.

Independent Shareholders are reminded to carefully monitor the market price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market during the Offer Period, where possible, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Offer.

The Independent Shareholders are also reminded that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offer. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document and the accompanying Form(s) of Acceptance.

Yours faithfully,
Independent Board Committee of
Hopefluent Group Holdings Limited

Mr. Lam King Pui <i>Independent</i> <i>non-executive director</i>	Mr. Ng Keung <i>Independent</i> <i>non-executive director</i>	Mrs. Wong Law Kwai Wah, Karen <i>Independent</i> <i>non-executive director</i>	Mr. Mo Tianquan <i>Non-executive director</i>
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LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.



Octal Capital Limited
801–805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

27 May 2020

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
ABCI CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA-NET HOLDING LTD. AND COUNTRY GARDEN PROPERTY
SERVICES HK HOLDINGS COMPANY LIMITED TO ACQUIRE ALL THE
ISSUED SHARES OF HOPEFLUENT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS AND/OR
PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. Details of the Offer are set out in this Composite Document, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

THE SHARE PURCHASE AGREEMENTS

On 15 April 2020 (after trading hours), the Purchaser entered into the following share purchase agreements pursuant to which the Purchaser conditionally agreed to purchase (a) an aggregate of 61,700,263 Shares, representing approximately 9.15% of the total issued share capital of the Company as at the date of the Joint Announcement; and (b) one share, representing the entire issued share capital, of Happy Chord, which owns 18,344,077 Shares, representing approximately 2.72% of the total issued share capital of the Company as at the date of the Joint Announcement:

- (i) Share Purchase Agreement A pursuant to which Vendors A conditionally agreed to sell and the Purchaser conditionally agreed to purchase a total of 61,700,263 Shares, representing approximately 9.15% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK\$92,550,394.50 (being HK\$1.50 per Share); and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) Share Purchase Agreement B pursuant to which Vendor B conditionally agreed to sell and the Purchaser conditionally agreed to purchase one share in Happy Chord, representing its entire issued share capital, for a total cash consideration of HK\$27,516,115.50 (equivalent to HK\$1.50 per Share on a see-through basis).

Completion under the Share Purchase Agreements took place simultaneously on 17 April 2020, being the Completion Date.

THE OFFER

Immediately prior to the Acquisitions, the Purchaser (being one of the Joint Offerors) was interested in 50,718,000 Shares, representing approximately 7.52% of the total issued share capital of the Company, and together with the Purchaser Concert Group, were interested in a total of 260,325,467 Shares, representing approximately 38.62% of the total issued share capital of the Company.

Immediately after the Acquisitions, the Purchaser was interested in 130,762,340 Shares, representing approximately 19.39% of the total issued share capital of the Company, and together with the Purchaser Concert Group, were interested in a total of 340,369,807 Shares, representing approximately 50.49% of the total issued share capital of the Company. The Purchaser is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it.

CGPS HK (being the other one of the Joint Offerors) and parties acting in concert with it (other than the Purchaser and the Purchaser Concert Group) were/are not interested in any Share immediately prior to and after the Acquisitions and as at the Latest Practicable Date. In connection with the mandatory unconditional cash offer which the Purchaser is required to make pursuant to Rule 26.1 of the Takeovers Code as a result of the Acquisitions, the Purchaser and CGPS HK entered into the Concert Group Agreement and will jointly make the Offer through ABCI Capital in accordance with the Takeovers Code and the terms and conditions of the Concert Group Agreement. Pursuant to the Concert Group Agreement, the Purchaser and CGPS HK agreed to accept and acquire all the Offer Shares tendered by the Shareholders to the Joint Offerors on the following basis and proportions:

- (i) CGPS HK will first purchase and accept the Offer Shares subject to the lower of (a) a maximum purchase amount of HK\$120,000,000 (excluding any stamp duty and expenses in connection with such purchase); and (b) a maximum number of 67,380,000 Shares which is less than 10% of the total issued share capital of the Company; and
- (ii) the remaining Offer Shares will be purchased and accepted by the Purchaser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ABCI Capital is making the Offer on behalf of the Joint Offerors in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$1.50 in cash

The Shares to be acquired under the Offer shall be fully paid, free from all encumbrances and with all rights and benefits accruing and attached to them, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, i.e. the date of this Composite Document. A final dividend of HK8 cents per Share was proposed by the Board for the year ended 31 December 2019 as disclosed in the Company's announcement dated 30 March 2020. Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on or about 30 July 2020 to Shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2020. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors before the Record Date, the declared dividend in respect of such Offer Shares will become its entitlement. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors after the Record Date, the declared dividend in respect of such Offer Shares will be the entitlement of the Shareholders whose names appear on the register of members of the Company on the Record Date, and the Offer Price after deducting the declared dividend, i.e. the Adjusted Offer Price of HK\$1.42, will become the consideration for each Offer Share for such Shareholders.

Further details of the terms and conditions of the Offer, including the procedures for acceptance of the Offer, are set out in this Composite Document.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Lam King Pui, Mr. Ng Keung, Mrs. Wong Law Kwai Wah, Karen and Mr. Mo Tianquan, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. We, Octal Capital Limited, have been appointed, with approval of the Independent Board Committee, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer.

We are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, and we are not associated with the Joint Offerors or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Joint Offerors or the Company or the controlling shareholder(s) of either of them. Accordingly, we are considered eligible to give independent advice on the Offer. In the last two years, there has been no other engagement entered into between the Company and Octal Capital Limited. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Joint Offerors or the Company or any party acting, or presumed to be acting, in concert with any of them.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied by the Company, and the opinions expressed by the Directors, and have assumed that the information and facts provided and opinions expressed by the Directors to us are true, accurate and complete in all material aspects. We have also relied on our discussion with the Board and/or the management of the Company, given in writing or orally, regarding the Company and the Offer, including the information and representations contained in this Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the management of the Company and/or the Joint Offerors in this Composite Document were reasonably made after due enquiry. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or the Joint Offerors or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in this Composite Document were true up to the time of the Latest Practicable Date, and that the Shareholders will be informed as soon as reasonably possible if we become aware of any material change to such representations.

We have not considered the tax implications on the Shareholders of their acceptances or non-acceptances of the Offer since these are particular to their own individual circumstances. In particular, the Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Company was incorporated in the Cayman Islands with limited liability and the Shares have been listed on the Main Board since 15 July 2004. The Group is principally engaged in the property real estate agency businesses. The Company mainly operates through two segments. The property real estate agency segment is engaged in the provision of first-hand real estate services to property developers and secondary real estate services. The financial services segment is engaged in the provision of mortgage referral and loan financing services to individuals or companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Historical financial performance and prospects of the Group

Set out below is a summary of the consolidated financial information of the Group for each of the three financial years ended 31 December 2017 (“**FY2017**”), 2018 (“**FY2018**”) and 2019 (“**FY2019**”) as extracted from the annual reports of the Company for FY2018 (the “**2018 Annual Report**”) and FY2019 (the “**2019 Annual Report**”):

	Year ended 31 December		
	2017	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited and restated)	(Audited)
Revenue			
<i>Continuing operations</i>			
— Property real estate agency business	4,003,680	4,704,918	5,861,299
— Financial services business	146,227	173,243	214,899
— Property management business ^{Note 2}	521,888	—	—
Total revenue from continuing operations	<u>4,671,795</u>	<u>4,878,161</u>	<u>6,076,198</u>
<i>Discontinued operations</i>			
— Property management business ^{Note 2}	—	571,461	341,790
Total revenue ^{Note 3}	<u>4,671,795</u>	<u>5,449,622</u>	<u>6,417,988</u>
Segment profit:			
— Property real estate agency business	458,259	618,745	684,701
— Financial services business	71,671	92,621	116,658
— Property management business ^{Note 2}	67,750	38,329	27,776
Total	<u>597,680</u>	<u>749,695</u>	<u>829,135</u>
Profit for the year from:			
— Continuing operations ^{Note 1}	342,035	425,218	463,527
— Discontinued operations ^{Note 2}	—	28,352	23,874
Gain on disposal of discontinued operations	—	—	212,684
Profit for the year	<u>342,035</u>	<u>453,570</u>	<u>700,085</u>
Profit for the year attributable to owners of the Company from:			
— Continuing operations ^{Note 1}	336,794	303,148	251,832
— Discontinued operations ^{Note 2}	—	23,851	232,489
Total	<u>336,794</u>	<u>326,999</u>	<u>484,321</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Inclusive of property management business which was classified as continuing operations for FY2017.
2. On 10 July 2019, the Group disposed of the entire issued share capital of an indirect wholly-owned subsidiary (the “**Disposal**”), namely Sino Estate Holdings Limited (together with its subsidiaries, the “**Sino Estate Group**”), which was principally engaged in the provision of property management services (the “**Discontinued Operation**”). Details of which are included in the announcement of the Company dated 10 July 2019. Performance arising from the Sino Estate Group for FY2017 was classified as continuing operation while that for FY2018 was restated as discontinued operation in the 2019 Annual Report which conforms to the presentation of the consolidated financial statements of the Company.
3. Figures of total revenue of FY2018 and FY2019 are for illustration purpose only.

Comparison between FY2017 and FY2018

For FY2018, the Group recorded revenue of approximately HK\$5,449.6 million (comprising (i) revenue of approximately HK\$4,878.2 million from the property real estate agency business and financial services business; and (ii) revenue of approximately HK\$571.5 million arising from the Discontinued Operation), which represented an increase of approximately 16.6% as compared to that for FY2017. The majority of the Group’s revenue in FY2018 was generated from property real estate agency business in the PRC which accounted for approximately 86.3% of the Group’s revenue. According to the 2018 Annual Report, the increment in revenue was mainly attributable to (i) the expansion of the Group’s share in the primary property real estate agency services market, with new home sales in FY2018 which amounted to approximately HK\$398 billion, from handling of about 306,000 transactions with a total gross floor area sold of about 31 million square meters; and (ii) the secured dealership for more primary property projects and improvement in sales performance in different cities across the PRC, including Guangzhou and the Pearl River Delta, Anhui, Shandong, Jiangsu, Guangxi and Guizhou, etc.

The net profit of the Group was approximately HK\$453.6 million for FY2018 as compared to approximately HK\$342.0 million in FY2017, representing an increase of approximately 32.6%. The increase in net profit was mainly attributable to the increase in revenue in FY2018 as mentioned above, and was partially offset by the increase in selling and administrative expenses.

Despite the growth in revenue, the net profit attributable to Shareholders decreased by approximately 2.9% from approximately HK\$336.8 million in FY2017 to approximately HK\$327.0 million (including the net profit from the Discontinued Operation amounted to approximately HK\$23.9 million) in FY2018. The decrease was mainly due to the sharing of net profit to the non-controlling interest of Hopefluent (China) Real Estate Consultancy Co., Ltd. (“**Hopefluent China**”), being the Group’s major operating subsidiary in respect of its property real estate agency business in the PRC, after the completion of the cooperation restructuring with a business partner in September 2018 such that the business partner obtained 43.9% of the entire equity interests in Hopefluent China by way of capital contribution (the “**Cooperation**”).

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Restructuring”). The Cooperation Restructuring entitled the Group preferential rights to be engaged as the real estate agent for the property development projects effectively controlled by the business partner.

Comparison between FY2018 and FY2019

For FY2019, the Group recorded revenue from continuing operations of approximately HK\$6,076.2 million, representing an increase of approximately 24.6% as compared to that for FY2018. According to the 2019 Annual Report, such increase was attributable to new home sales in FY2019 which amounted to approximately HK\$535.1 billion, from the handling of about 378,900 transactions with a total gross floor area sold of about 35.1 million square meters. During FY2019, the Group continued to focus on the property real estate agency business, where its revenue share remained at similar level as in FY2018 and accounted for approximately 96.5% of the Group’s revenue from continuing operations in FY2019.

Profit for the year attributable to owners of the Company increased from approximately HK\$327.0 million in FY2018 to approximately HK\$484.3 million in FY2019, which was mainly due to the one-off gain of approximately HK\$212.7 million recorded upon completion of the Disposal.

However, after excluding the profit from the discontinued operations and the effect of the Disposal which is one-off in nature, the net profit of the Group attributable to owners of the Company from continuing operations decreased from approximately HK\$303.1 million in FY2018 to approximately HK\$251.8 million in FY2019, representing a decrease of approximately 16.9%. The decrease in FY2019 was mainly due to the full year effect of the sharing of profit to the non-controlling interests of Hopefluent China in FY2019 as compared to the four-month effect after the completion of the Cooperation Restructuring in FY2018.

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Set out below is a summary of the consolidated statement of financial position of the Group as at 31 December 2017, 2018 and 2019 as extracted from the 2018 Annual Report and the 2019 Annual Report:

	As at 31 December		
	2017	2018	2019
	(Audited)	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	<u>815,862</u>	<u>1,169,711</u>	<u>1,114,953</u>
Current assets			
— Bank balances and cash	1,331,323	1,723,391	2,163,397
— Accounts receivables	1,259,339	1,789,776	1,630,534
— Deposits, other receivables and prepayments	257,235	624,567	872,594
— Others	<u>752,235</u>	<u>566,139</u>	<u>598,217</u>
Total current assets	<u>3,600,132</u>	<u>4,703,873</u>	<u>5,264,742</u>
Total assets	<u>4,415,994</u>	<u>5,873,584</u>	<u>6,379,695</u>
Non-current liabilities	337,025	114,109	217,394
Current liabilities	<u>1,220,665</u>	<u>1,832,480</u>	<u>1,789,723</u>
Total liabilities	<u>1,557,690</u>	<u>1,946,589</u>	<u>2,007,117</u>
Net current assets	2,379,467	2,871,393	3,475,019
Net assets	2,858,304	3,926,995	4,372,578
Net assets attributable to Shareholders	<u>2,831,776</u>	<u>2,937,497</u>	<u>3,269,309</u>
Gearing ratio ^{Note 1}	<u>19.6%</u>	<u>11.8%</u>	<u>8.1%</u>
Net asset value attributable to Shareholders per Share ^{Note 2}	<u>HK\$4.24</u>	<u>HK\$4.40</u>	<u>HK\$4.85</u>

Notes:

1. Gearing ratio represents the Group's total borrowings divided by the Group's total assets.
2. Net asset value per Share represents the Group's net asset value attributable to Shareholders divided by the number of total issued Shares as at the relevant dates.

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The total assets of the Group amounted to approximately HK\$4,416.0 million, HK\$5,873.6 million and HK\$6,379.7 million as at 31 December 2017, 2018 and 2019, respectively. The total assets increased from approximately HK\$4,416.0 million as at 31 December 2017 to approximately HK\$5,873.6 million as at 31 December 2018 and further increased to approximately HK\$6,379.7 million as at 31 December 2019 which was mainly due to the increase in bank balances and cash. As at 31 December 2019, approximately HK\$1,962 million of the Group's assets in the bank balances and cash and pledged bank deposits of bank balances denominated in Renminbi (“RMB”) are placed with the banks in the PRC (31 December 2018: approximately HK\$1,701 million), majority of such cash resources were attributable to the operation of the property real estate agency business in the PRC.

The total liabilities of the Group amounted to approximately HK\$1,557.7 million, HK\$1,946.6 million and HK\$2,007.1 million as at 31 December 2017, 2018 and 2019, respectively. The total liabilities of the Group increased from approximately HK\$1,557.7 million as at 31 December 2017 to approximately HK\$1,946.6 million as at 31 December 2018 as a result of the increase in contract liabilities. Total liabilities further increased to approximately HK\$2,007.1 million as at 31 December 2019, mainly due to the increase of contract liabilities and lease liabilities.

As at 31 December 2017, 2018 and 2019, the majority of assets of the Group comprised its accounts receivables, loan receivables, deposits, other receivables and prepayments and bank balances and cash, which together accounted for approximately 90.0%, 86.3% and 85.4% of the total assets of the Group, respectively. As at 31 December 2017, 2018 and 2019, payables and accruals, contract liabilities and bank and other borrowings were the major liabilities of the Group, which together accounted for approximately 88.8%, 84.2% and 74.0% of the total liabilities of the Group, respectively. The Group's gearing ratios were approximately 19.6%, 11.8% and 8.1% as at 31 December 2017, 2018 and 2019, respectively. The gearing ratio of the Group has been decreasing as a result of the increase in total assets.

Prospects of the Group

As disclosed in the 2019 Annual Report, existing network of the Group's property real estate agency services business covers more than 200 cities in the PRC and it is the agent of approximately 2,000 projects. Due to the rapid changes of the economic conditions in the PRC, the transactions in the market were weaker when compared with previous years and the property market faced greater pressure on both capital and operations. According to the National Bureau of Statistics of China, the total property sales in the PRC in 2019 was approximately RMB15.97 trillion as compared to that of approximately RMB15.00 trillion in 2018 and approximately RMB13.37 trillion in 2017, with a corresponding growth rate of 6.5% in 2019 and 12.2% in 2018 which reflected that the growth rate of the property sales in 2019 has been on a declining trend.

On the other hand, the rising geopolitical tensions, especially the trade conflicts between the United States and the PRC, and the outbreak of the Novel Coronavirus pandemic (“COVID-19 Pandemic”) had been threatening the global economy. As a

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result, it may cause challenges in the PRC's economy and in turn affect the wealth of the end-users of the PRC property market. This may cause downward pressure to property prices and demand for property real estates. As stated in the 2019 Annual Report, the outbreak of the COVID-19 Pandemic in early 2020 has put downward pressure on the economy and brought about challenges to all industries and inevitably affected the Group's businesses.

The COVID-19 Pandemic has had impact on the real estate retail market at large, with turnovers of residential real estate in the PRC experienced downward trend year-on-year, which may affect the prospect of the property real estate agency business of the Group. According to the statistics published by the National Bureau of Statistics of China (which was last revised in March 2020), which groups the first two months of each year together to avoid distortions due to the lunar new year holiday period, the cumulative real estate sales in the PRC, measured by gross floor area ("GFA"), dropped by approximately 39.2% and approximately 25.9% in the periods of January-to-February 2020 and January-to-March 2020 respectively compared with the corresponding periods in 2019. Cumulative sales volume in residential housing in the first quarter recorded similar year-on-year decline of approximately 34.7% and approximately 22.8% in the periods of January-to-February 2020 and January-to-March 2020 respectively compared with the corresponding periods in 2019. With the stunted development and the unclear investment environment, it is possible for the performance of the Group to be affected in the near term given the uncertainties brought about by the adverse factors and the relative conservative approach from the property end-users.

In addition, the construction of the residential housing has registered declines in the first quarter of 2020. With reference to the press release from the National Bureau of Statistics of China on 20 April 2020 (http://www.stats.gov.cn/english/PressRelease/202004/t20200420_1739751.html), from January to March 2020, the newly commenced construction area of housing was approximately 282.03 million square meters ("sq.m.") and has recorded a decline of approximately 27.2%, among which the newly started residential building constructions, measured in GFA, was approximately 207.99 million sq.m., decreased by approximately 26.9% as compared to the corresponding period in 2019. The completed residential buildings measured by GFA in the first quarter of 2020 was 109.28 million sq.m., which recorded year-on-year decrease of approximately 16.2%. The slowdown in construction may as well affect the completed residential building supply in the longer term, which the property real estate agency business of the Group may be affected indirectly.

As stated in the 2019 Annual Report, we note that the management of the Company is of the view that the Chinese economy will continue to maintain a long-term upward development trend and that the property market will sustain a positive development trend after the COVID-19 Pandemic, whilst the business of the Group in the first half of 2020 will be affected by the COVID-19 Pandemic. Based on the current pandemic situation, we are of the view that the growth of residential property markets would be hampered in the short term, and the duration of such adverse impact may greatly depend on the

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development of the pandemic. Based on the above factors, we are of the view that uncertainties exist in the markets which the Group is operating in and we remain cautious about the prospects of the Group.

3. Principal terms of the Offer

(a) Offer Price comparisons

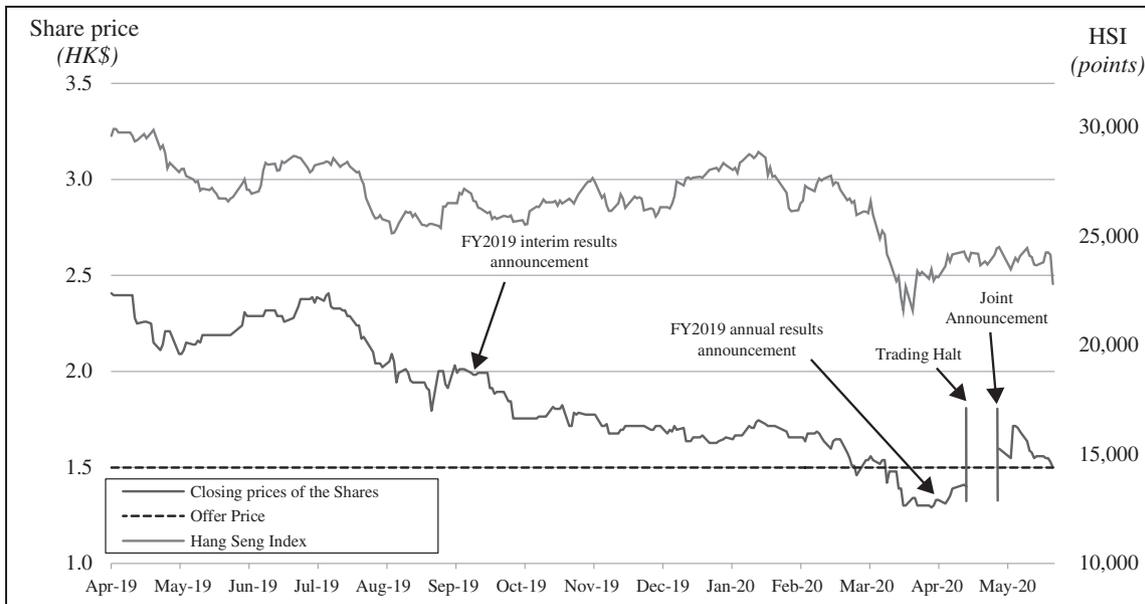
The Offer Price of HK\$1.50 per Offer Share represents:

- (i) a premium of approximately 7.14% over the closing price of HK\$1.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 8.70% over the average closing price of approximately HK\$1.38 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 11.94% over the average closing price of approximately HK\$1.34 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 7.14% over the average closing price of approximately HK\$1.40 per Share as quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Trading Day;
- (v) the same as the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 69.07% to the Group's audited consolidated net asset value attributable to the Shareholders per Share ("**NAV per Share**") of approximately HK\$4.85 as at 31 December 2019.

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(b) Historical price performance of the Shares

Set out below is the movement of the daily closing prices of the Shares on the Stock Exchange during the period from 15 April 2019 (being one year prior to the Last Trading Day) and up to and including the Latest Practicable Date (the “**Review Period**”) and the comparison of the Share price performance with the Hang Seng Index (“**HSI**”) and the Offer Price, and a summary of announcements published by the Company of significant events that took place:



Source: www.hkex.com.hk

Note:

- Trading in the Shares was halted from 16 April 2020 to 28 April 2020.

The Shares were traded in a generally downward trend from 15 April 2019 to the Last Trading Day prior to the publication of the Joint Announcement dated 28 April 2020 (the “**Pre-announcement Review Period**”). During the Pre-announcement Review Period, the highest and lowest closing prices of the Shares were HK\$2.42 per Share on 15 April 2019 and 17 July 2019 and HK\$1.29 per Share on 31 March 2020 with an average of approximately HK\$1.88 per Share, respectively.

The Share price showed a general downward trend and has underperformed the HSI during the Pre-announcement Review Period. The closing price of the Share was HK\$2.42 per Share at the beginning of the Pre-announcement Review Period and the closing price of the Share as at the Last Trading Day was HK\$1.40, representing a considerable decrease of approximately 42.1%; whereas the HSI decreased by approximately 19.0% during the same period. We did not note any information of material change of the Group published in the public domain during the Pre-announcement Review Period. We have

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discussed with the management of the Company regarding the possible reasons for such price fall and they were not aware of any specific reasons which may lead to the aforesaid decrease in Share price.

The Offer Price of HK\$1.50 per Offer Share is within the range of the lowest and highest closing price of the Shares quoted on the Stock Exchange during the Pre-announcement Review Period, and represented a premium of approximately 16.3% over the lowest closing price of HK\$1.29 per Share recorded on 31 March 2020, and a discount of approximately 38.0% to the highest closing price of HK\$2.42 per Share recorded on 15 April 2019 and 17 July 2019.

After the publication of the Joint Announcement dated 28 April 2020 and up to the Latest Practicable Date (the “**Post-announcement Review Period**”), the closing Share price surged to the highest of HK\$1.72 on 5 May and 6 May 2020, representing an increase of approximately 22.9% from the closing price of the Share on the Last Trading Day. We have discussed with the management of the Company regarding the possible reasons for the surge in the Share price after publication of the Joint Announcement and were advised that save for the Offer, they were not aware of any matters which might have impact on the price of the Shares. We consider that the increase in the Share price in the Post-announcement Review Period reflected the market anticipation of the favorable effects of the Offer following the Joint Announcement, as a result, the comparison of the Offer Price against the Share prices in the Pre-announcement Review Period would be more relevant and appropriate in assessing the fairness and reasonableness of the level of the Offer Price.

Further, as mentioned in the paragraph headed “(a) Offer Price comparisons” above, the Offer Price of HK\$1.50 per Offer Share represents a premium over the last trading price of the Shares for the last five, ten and thirty consecutive trading days prior to the publication of the Joint Announcement, respectively.

After taking into account the historical Share prices, there is no assurance that the Share prices will continue to maintain at the current level after the closing of the Offer. Independent Shareholders are reminded to closely monitor the market price of the Shares and consider selling their Shares in the open market during the Offer Period, instead of accepting the Offer, should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer.

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(c) Trading liquidity

Set out below in the table are the monthly total trading volumes of the Shares and the percentages of the monthly total trading volume to the total issued Shares and public float of the Company during the Review Period:

Month	Total trading volume	Average daily trading volume ^{Note 1}	% of the average daily trading volume to total issued Shares as at the end of the relevant month/period ^{Note 2}	% of the average daily trading volume to total issued Shares as at the end of the relevant month/period ^{Note 3}	Number of trading days in each month/period
2019					
April (from 15 April 2019)	158,000	15,800	0.002%	0.005%	10
May	707,000	33,667	0.005%	0.011%	21
June	292,405	15,390	0.002%	0.005%	19
July	3,060,450	139,111	0.021%	0.046%	22
August	2,867,333	130,333	0.019%	0.043%	22
September	904,389	43,066	0.006%	0.014%	21
October	4,252,689	202,509	0.030%	0.067%	21
November	7,360,800	350,514	0.052%	0.116%	21
December	2,528,000	126,400	0.019%	0.042%	20
2020					
January	7,685,585	384,279	0.057%	0.127%	20
February	9,338,542	466,927	0.069%	0.155%	20
March	6,259,200	284,509	0.042%	0.094%	22
April (up to the Last Trading Day) ^{Note 4}	6,283,328	698,148	0.104%	0.231%	9
April (on 29 April 2020)	12,794,943	12,794,943	1.898%	4.238%	1
May (up to the Latest Practicable Date)	25,874,190	1,724,946	0.256%	0.571%	15

Source: www.hkex.com.hk

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the month/period.

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2. The calculation is based on the average daily trading volumes of the Shares divided by the total issued share capital of the Company at the end of each month or as at the Latest Practicable Date, as applicable.
3. The total number of Shares held by the public is calculated based on the number of total issued Shares excluding those held by the Joint Offerors and the Directors at the year end of 31 December 2018 or 2019 or as at the Latest Practicable Date, as applicable.
4. Trading in the Shares was halted from 16 April 2020 to 28 April 2020 (both days inclusive).

As illustrated in the table above, the average daily trading volume of the Shares has been thin in general during the Pre-announcement Review Period. The monthly average daily trading volume of the Shares as a percentage of the total issued Shares ranged from approximately 0.002% to approximately 0.104%, and the average daily trading volume of the Shares as a percentage of public float of the Company ranged from approximately 0.005% to approximately 0.231% during the Pre-announcement Review Period.

The trading of the Shares was vigorous after the publication of the Joint Announcement on 28 April 2020. As shown in the above table, the highest average daily trading volume of the Shares was observed in April and May 2020 and we are of the view that the market reaction is likely in response to the publication of the Joint Announcement. To further study the effect, we have divided April 2020 into two periods, with the first period being 1 April 2020 to the Last Trading Day (both days inclusive) and the second period being 29 April 2020 (remaining trading day in April after the publication of the Joint Announcement).

For the first and second period of April 2020, we noted that the average daily trading volume of the Shares was (i) approximately 0.104% and 1.898% of the total number of issued Shares respectively; and (ii) approximately 0.231% and 4.238% of the total number of issued Shares held by the public respectively, revealing that the trading volume of the Shares had increased significantly after the publication of the Joint Announcement. However, the momentum of the surge in average daily trading volume of the Shares did not sustain after 29 April 2020 and it began to drop starting from 4 May 2020 up to the Latest Practicable Date, at an average of approximately 0.256% of the total number of issued Shares and an average of approximately 0.571% of the total number of issued Shares held by the public.

Taking into consideration that the trading volume of the Shares were extremely thin in general during the Pre-announcement Review Period, it is uncertain that the overall liquidity of the Shares could be maintained in near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market, especially those with large volume of Shares, without exerting a downward pressure on the Share price. The Offer provides an opportunity for the Independent Shareholders to dispose of their shareholdings, especially for those holding a large block of the Shares, at the Offer Price if they wish to realise their investments.

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4. Historical discount of market price to net asset value

We have compared the historical closing price per Share against the then latest consolidated NAV per Share over the period from 29 March 2017 to the Last Trading Day (the “**Previous Periods**”), which we have assumed was generally available to the market from the date of publication of the relevant full year results announcements and that the Share price had reflected such information.

Period	Published consolidated net asset value per Share ^{Note 2} HK\$	Closing price per Share			Premium/(Discount) over/to net asset value per share		
		Highest	Lowest	Average	Highest	Lowest	Average
		HK\$	HK\$	HK\$	Approx. %	Approx. %	Approx. %
29/3/2017 ^{Note 1} to 28/3/2018	3.57 ^{Note 2}	4.20	2.28	3.28	17.56%	(36.18%)	(8.31%)
29/3/2018 ^{Note 1} to 28/3/2019	4.24 ^{Note 2}	3.77	2.00	2.83	(11.07%)	(52.82%)	(33.27%)
29/3/2019 ^{Note 1} to 30/3/2020	4.40 ^{Note 2}	2.52	1.30	1.93	(42.69%)	(70.44%)	(56.14%)
31/3/2020 ^{Note 1} to Last Trading Day	4.85 ^{Note 2}	1.41	1.29	1.34	(70.93%)	(73.40%)	(72.29%)

Source: www.hkex.com.hk

Notes:

1. Being the first trading day immediately after the Company released its annual results announcements.
2. Based on net assets attributable to the shareholders of the Company as extracted from the Company’s respective annual reports, divided by the aggregated number of Shares as at the respective period-end date.

Based on the analysis above, we note that, since 29 March 2017 up to the Last Trading Day, the Shares had been traded at a closing price below the NAV per Share of the corresponding Previous Periods over the majority of the trading days during the Previous Periods, with the average discounts (the “**Average Discounts**”) to the NAV per Share ranging from approximately 8.31% to approximately 72.29%. The Offer Price represents a discount to the NAV per Share for FY2019 of approximately 69.07% which is mildly lower than the Average Discounts for the period from 31 March 2020, being the date after the publication of the annual results announcement for FY2019, to the Last Trading Day. This implies that the investors in the stock market may not have valued the Shares primarily based on the NAV per Share of the Company over the past three years. Instead, investors may have consistently emphasized on other fundamentals and future prospects of the Company when deciding the trading price of the Shares. Based on the above, we considered that the discount of the Offer Price to the NAV per Share is acceptable.

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5. Comparison with other comparable companies

To further assess the fairness and reasonableness of the Offer Price, we have performed a comparable analysis by using price-to-earnings ratio (“**P/E Ratio(s)**”) which is generally considered by the investment community as the most commonly used benchmark in assessing the valuation of a company to compare the Offer Price against the market valuation of other comparable companies. We have identified an exhaustive list of four companies (the “**Comparable Companies**”) listed on the Main Board and GEM of the Stock Exchange, which (i) are principally engaged in the same sector on property real estate agency and of similar business model to that of the Group where more than 50% of its revenue are derived from such business; and (ii) has business presence covering the PRC according to their latest published annual financial results (the “**Comparable Business**”). The list of Comparable Companies represents all of the peers of the Company which are publicly listed in Hong Kong. We therefore are of the view that the sample size is sufficient and the list of Comparable Companies are fair and representative for our analysis after considering (i) the close similarity of their business model and service offerings in the real estate agency business; and (ii) the geographical coverage of their business operation. In order to ensure that the sample size is sufficient for a meaningful comparison, we do not consider a categorisation based on market capitalisation of the Comparable Companies is necessary. Independent Shareholders should note that the below comparisons are only for general reference purpose as some aspects including scale of operation, trading prospect, financial performance and capital structure of the Comparable Companies may not be exactly the same as that of the Company. Details of the Comparable Companies are set out below:

Company name	Stock code	Closing share price as at the Last Trading Day (HK\$)	Approximate market capitalisation <i>Note 1</i> (HK\$ million)	Latest published earnings per share before the Last Trading Day (HK\$)	Latest published net asset value per Share (HK\$)	P/E Ratio <i>Note 2</i> (times)	P/B Ratio <i>Note 3</i> (times)
E-House (China) Enterprise Holdings Limited	2048	6.84	9,475.96	0.68	6.25	10.01	1.09
Fineland Real Estate Services Group Limited	8376	0.53	212.00	0.06	0.35	8.70	1.51
Fortune Sun (China) Holdings Limited	352	0.29	70.16	(0.06)	0.17	N/A	1.70
Midland Holdings Limited	1200	0.90	646.24	(0.10)	1.84	N/A	0.49
					Maximum	10.01	1.70
					Minimum	8.70	0.49
					Mean	9.35	1.20
					Median	9.35	1.30
Offer Price <i>Note 4, Note 5</i>		1.50	1,011.22	0.72	4.85	2.09	0.31

Source: www.hkex.com.hk

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Notes:

1. The market capitalisation of the Comparable Companies are derived from the total number of shares (as disclosed in the latest monthly return or relevant disclosures) multiplied by the closing share price quoted on the Stock Exchange as at the Last Trading Day.
2. The P/E Ratio is derived from dividing the respective market capitalisation by the respective profit attributable to the owners of the company as extracted from the latest published annual results.
3. The P/B Ratio is derived from dividing the respective market capitalisation by the respective consolidated equity attributable to the owners of the company as extracted from the latest published annual or interim results.
4. The implied market capitalisation under the Offer is derived from multiplying the total number of issued Shares as at the Last Trading Day of 674,149,989 by the Offer Price of HK\$1.50 per Offer Share.
5. The implied P/B Ratio is derived by dividing the implied market capitalisation by the audited total equity attributable to Shareholders of the Company as at 31 December 2019.

Upon comparison, we noted that the P/E Ratio implied by the Offer Price (the “**Implied P/E Ratio**”) of approximately 2.09 times is lower than the P/E Ratios presented by the Comparable Companies which ranges from approximately 8.70 times to 10.01 times. Among the Comparable Companies, we noted that Fortune Sun (China) Holdings Limited and Midland Holdings Limited were loss making for FY2019 with net loss attributable to equity holders of approximately RMB12.4 million (equivalent to approximately HK\$13.6 million translated at RMB1 to HK\$1.09) and HK\$68.9 million respectively such that the P/E Ratio is not applicable to these two companies. In this regard, we have attempted, to our best effort, to include companies listed on the Main Board and GEM of the Stock Exchange which are under the industry of “Properties” as classified by the Hang Seng Industry Classification System with business exposure in property real estate agency into our analysis. We have identified twelve additional comparable companies which met the criteria and we consider these additional comparable companies to be exhaustive. However, upon review of their latest published financial statements, we noted that the property real estate agency services of these additional comparable companies are their ancillary business which accounted for a small contribution to their respective revenue and profit. Thus, we consider that such financial information and their respective share price mainly reflect their main business in property development, property investment and property management instead of their performance in property real estate agency business and including the comparison results of these additional comparable companies against the Group may be misleading. Therefore, given the exhaustive list of the peers of the Company represented by the Comparable Companies and among which two samples are loss-making, we consider that although the result of the P/E Ratios of the Comparable Companies may not be sufficiently representative, the results of such comparison have reference value when assessing the fairness and reasonableness of the Offer Price. In addition, while the share price of the Comparable Companies and the Company may have already reflected the market anticipation of the prospect of the property real estate market under the current economic conditions, the last published earnings per share of the Comparable Companies and the Company for FY2019 has not yet reflected the financial impacts brought

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about by the COVID-19 Pandemic and such impacts on the business of each company are different, thus, direct comparison of the P/E Ratios of the Comparable Companies with the Implied P/E Ratio may not yield any conclusive meaning.

Besides, we adopted price-to-book ratio (the “**P/B Ratio**”) analysis as an additional reference in assessing the reasonableness of the Offer Price. The P/B Ratio implied by the Offer Price (the “**Implied P/B Ratio**”) of approximately 0.31 times is lower than the P/B Ratios presented by the Comparable Companies which ranges from approximately 0.49 times to 1.70 times. Since the operation of the Group’s property real estate agency business is not capital intensive in nature, the P/B Ratio analysis is not a commonly adopted valuation methodology for assessing such business and the result of the P/B Ratio analysis may not be indicative of the fairness and reasonableness of the Offer Price.

Although it seems that the Offer Price is unattractive to the Independent Shareholders from the above perspectives as both the Implied P/E Ratio and Implied P/B Ratio fall below the respective ratios represented by the Comparable Companies, we would like to emphasize that this is merely one of the factors taken into consideration in assessing the fairness and reasonableness of the Offer Price as our consideration of the Offer Price has been made on an overall basis having considered various principal factors, in particular (i) the Offer Price represents a premium over the average trading price of the Shares for the last five, ten and thirty consecutive trading days prior to the publication of the Joint Announcement, respectively; (ii) the historical trading volume of the Shares is extremely thin in general; and (iii) the Shares have been trading to a significant discount to the then NAV per Share in the past few years, which is set out in various sections above and the recommendation section below.

6. Other considerations

(a) Background of the Joint Offerors

The Joint Offerors are China-net Holding Ltd. and Country Garden Property Services HK Holdings Company Limited.

China-net Holding Ltd. is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, save for holding of the Shares, it was not engaged in any other business activities. As at the Latest Practicable Date, its sole director and sole legal and beneficial owner was Mr. Fu Wai Chung, the chairman and an executive Director of the Company.

Country Garden Property Services HK Holdings Company Limited, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of CGSH, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 6098). CGSH and CGPS HK are investment holding companies, together with their subsidiaries, principally engaged in provision of property management services, community value-added services and value-added services to non-property owners and provision of heat supply services in

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the PRC. The ultimate controlling shareholder of CGSH is Ms. Yang Huiyan, who was interested in approximately 52.70% of the total issued shares of CGSH as at the Latest Practicable Date.

Both CGSH and the Company are engaged in the property industry in the PRC. CGSH and its subsidiaries are principally engaged in, among others, provision of property management services while the Company and its subsidiaries are principally engaged in property real estate agency businesses.

(b) Intentions of the Joint Offerors in relation to the Group

Immediately following the close of the Offer, the Joint Offerors intend that the Group will continue its existing property real estate agency businesses.

The Joint Offerors intend to continue the employment of the existing management and employees of the Group. Any future changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the intention of the Joint Offerors regarding the Group as set out above, (i) the Joint Offerors have no intention to make material changes to the employment of the employees of the Group; (ii) the Joint Offerors have no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has any of the Joint Offerors entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

(c) Public float and maintaining the listing status of the Company

Given that (i) the maximum potential shareholding of CGPS HK in the Company upon the close of the Offer is less than 10%; and (ii) CGPS HK is not controlled by or otherwise connected with any core connected person of the Company, the Offer Shares that may be acquired by CGPS HK pursuant to the Offer are counted towards the public float of the Company.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of the Joint Offerors and the new Directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

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RECOMMENDATIONS

Based on our analyses above and, in particular, having considered the following that (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the uncertainties of the prospect of the Group's business given that the property market in the PRC experienced a downward trend in the first quarter of 2020;
- (ii) the Offer Price represents a premium of 7.14% over the closing price of the Shares on the last trading day prior to the publication of the Joint Announcement, and premium of approximately 8.70%, 11.94% and 7.14% over the average closing price of the last five trading days, ten trading days and thirty trading days prior to the publication of the Joint Announcement, respectively;
- (iii) the Shares had been traded at a closing price below the NAV per Share of the corresponding Previous Periods over the majority of the trading days during the Previous Periods, and the discount to the NAV per Share for FY2019 of approximately 69.07% is lower than the Average Discounts for the period from 31 March 2020, being the date after the publication of the annual results announcement for FY2019, to the Last Trading Day;
- (iv) the facts that the trading price of the Shares, rather than the NAV per Share, is considered to be a more appropriate indicator of the fair value of the Shares that shall be received by the Independent Shareholders when realising their investments in an open market as previously explained in the section headed "4. Historical discount of market price to net asset value";
- (v) the Offer represents an opportunity for Independent Shareholders to realise their investment since they may encounter difficulties in liquidating their Shares in the open market, especially when the average trading volume of the Shares has been generally thin during the Review Period; and
- (vi) despite both the Implied P/E Ratio and the Implied P/B Ratio fall below the mean and median of the P/E Ratios and P/B Ratios of the Comparable Companies and the Offer Price of HK\$1.50 per Offer Share represents a significant discount of approximately 69.07% to the NAV per Share;

we are of the opinion that the terms of the Offer (including the Offer Price), on balance, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

Nonetheless, we would like to remind the Independent Shareholders who would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. The Independent Shareholders

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who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding may consider the Offer as an alternative exit of their investments.

Furthermore, the Independent Shareholders are also reminded that their decisions to dispose or hold their investment in the Shares are subject to their individual circumstances and investment objectives and we would recommend any Independent Shareholder who may require advice in relation to any aspect of this Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in this Composite Document.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Alan Fung
Managing Director

Louis Chan
Director

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 25 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 17 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in an envelope marked "**Hopefluent Group Holdings Limited — General Offer**" as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and the Joint Offerors and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "**Hopefluent Group Holdings Limited — General Offer**" the duly completed and signed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked "**Hopefluent Group Holdings Limited — General Offer**" the duly completed and signed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form(s) of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked **“Hopefluent Group Holdings Limited — General Offer”** to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form(s) of Acceptance and deliver it in an envelope marked **“Hopefluent Group Holdings Limited — General Offer”** to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to each of the Joint Offerors and/or ABCI Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on

your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form(s) of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form(s) of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Joint Offerors may determine and announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form(s) of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) Seller's ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Joint Offerors in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Joint Offerors to such Independent Shareholder on acceptance of the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form(s) of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form(s) of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form(s) of Acceptance, and the Offer will be closed on the Closing Date.
- (b) The Joint Offerors and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.
- (c) In the event that the Joint Offerors decide to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.
- (d) If the Joint Offerors revise the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer so extended.

3. ANNOUNCEMENTS

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Joint Offerors must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Joint Offerors must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the following:
 - (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Joint Offerors and the parties acting in concert with them before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Joint Offerors and parties acting in concert with them during the Offer Period;

- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Joint Offerors and parties acting in concert with them have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and
 - (v) the percentages of the relevant classes of issued share capital of the Company, and the percentages of voting rights, represented by these numbers.
- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in good order, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive has confirmed that it has no further comments, will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.hopefluent.com).

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.
- (b) If the Joint Offerors are unable to comply with the requirements set out in paragraph 3 of this Appendix I headed “Announcements” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.
- (c) In such case, when the Independent Shareholders withdraw their acceptance(s), the Joint Offerors shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent Shareholder(s).

5. SETTLEMENT OF THE OFFER

- (a) Provided that the accompanying Form(s) of Acceptance for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.
- (b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Joint Offerors in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix I) and the accompanying Form(s) of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Joint Offerors may otherwise be, or claim to be, entitled against such Independent Shareholder.
- (c) No fraction of a cent will be payable and the amount of cash consideration payable to Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.
- (d) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Joint Offerors for payment.

6. OVERSEAS SHAREHOLDERS

The making of the Offer to the Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. Overseas Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes). The Joint Offerors, the Company, their respective ultimate beneficial owners and parties acting in concert, ABCI Capital, Octal Capital, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Acceptance of the Offer by any Overseas Shareholder will be deemed to

constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.

7. TAX IMPLICATIONS

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Joint Offerors, the Company, their respective ultimate beneficial owners and parties acting in concert, ABCI Capital, Octal Capital, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

8. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Joint Offerors and their respective ultimate beneficial owners and parties acting in concert with them, ABCI Capital, Octal Capital, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Joint Offerors and ABCI Capital that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividends or other distributions, declared, made or paid on or after the date on which the Offer is made, i.e. the date of this Composite Document. A final dividend of HK8 cents per Share was proposed by the Board for the year ended 31 December 2019 as disclosed in the Company's announcement dated 30 March 2020. Subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on or about 30 July 2020 to Shareholders whose names appear on the register of members of the Company at the close of business on 10 July 2020. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors before the Record Date, the declared dividend in respect of such Offer Shares will become its entitlement. In the event that the relevant Offer Shares are acquired by any one of the Joint Offerors after the Record Date, the declared dividend in respect of such Offer Shares will be the entitlement of the Shareholders whose names appear

on the register of members of the Company on the Record Date, and the Offer Price after deducting the declared dividend, i.e. the Adjusted Offer Price of HK\$1.42, will become the consideration for each Offer Share for such Shareholders.

- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Joint Offerors that the number of Shares in respect of which it is indicated in the Form(s) of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) The provisions set out in the accompanying Form(s) of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or the accompanying Form(s) of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Joint Offerors and/or ABCI Capital and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Joint Offerors, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form(s) of the Acceptance shall include any extension and/or revision thereof.
- (j) The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The Group is principally engaged in the property real estate agency businesses. The Company mainly operates through two segments. Property real estate agency segment is engaged in the provision of first-hand real estate services to property developers and secondary real estate services. The financial services segment is engaged in the provision of mortgage referral and loan financing services to individuals or companies.

Set out below is a summary of the audited consolidated financial results of the Group for each of the financial years ended 31 December 2017, 2018 and 2019, respectively, as extracted from the relevant published financial statements of the Group for the relevant years.

	For the year ended 31 December		
	2019	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited and restated)	(audited)
Continuing operations			
Revenue	6,076,198	4,878,161	4,671,795
Profit before tax	640,793	591,922	491,231
Income tax expense	<u>(177,266)</u>	<u>(166,704)</u>	<u>(149,196)</u>
Profit for the year from continuing operations	<u>463,527</u>	<u>425,218</u>	<u>342,035</u>
Discontinued operations			
Profit for the year from discontinued operations	<u>236,558</u>	<u>28,352</u>	<u>—</u>
Profit for the year	<u>700,085</u>	<u>453,570</u>	<u>342,035</u>

	For the year ended 31 December		
	2019 <i>HK\$'000</i> (audited)	2018 <i>HK\$'000</i> (audited and restated)	2017 <i>HK\$'000</i> (audited)
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency	(145,836)	(111,657)	179,643
Reclassification of exchange difference in respect of disposal of discontinued operations	3,698	—	—
Share of other comprehensive income of associates	(370)	—	—
	<u>(142,508)</u>	<u>(111,657)</u>	<u>179,643</u>
Total comprehensive income for the year	<u><u>557,577</u></u>	<u><u>341,913</u></u>	<u><u>521,678</u></u>
Profit for the year attributable to:			
Owners of the Company	484,321	326,999	336,794
Non-controlling interests	<u>215,764</u>	<u>126,571</u>	<u>5,241</u>
	<u><u>700,085</u></u>	<u><u>453,570</u></u>	<u><u>342,035</u></u>
Total comprehensive income for the year attributable to:			
Owners of the Company	391,605	216,698	515,462
Non-controlling interests	<u>165,972</u>	<u>125,215</u>	<u>6,216</u>
	<u><u>557,577</u></u>	<u><u>341,913</u></u>	<u><u>521,678</u></u>
Earnings per share			
Earnings per share from continuing and discontinued operations			
Basic and diluted	<u>HK72.3 cents</u>	<u>HK49.0 cents</u>	<u>HK50.4 cents</u>
Dividend			
Dividend per share			
— Interim	HK4.5 cents	HK4.5 cents	HK4.5 cents
— Final	HK8.0 cents	HK6.5 cents	HK9.5 cents
Amount of dividend distributed to owners of the Company	<u>84,268</u>	<u>73,480</u>	<u>93,520</u>

The auditor of the Company for the years ended 31 December 2018 and 2019, BDO Limited, did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion and disclaimer of opinion) on the consolidated financial statements of the Group for each of the years ended 31 December 2018 and 2019.

The auditor of the Company for the year ended 31 December 2017, Deloitte Touche Tohmatsu, did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion and disclaimer of opinion) on the consolidated financial statements of the Group for the year ended 31 December 2017.

2. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”), (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2018 (the “**2018 Financial Statements**”) and (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2017 (the “**2017 Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2019 Financial Statements are set out from page 46 to page 133 in the Annual Report 2019 of the Company, which was published on 23 April 2020. The Annual Report 2019 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.hopefluent.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042301234.pdf>

The 2018 Financial Statements are set out from page 46 to page 131 in the Annual Report 2018 of the Company, which was published on 29 April 2019. The Annual Report 2018 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.hopefluent.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn20190429313.pdf>

The 2017 Financial Statements are set out from page 44 to page 99 in the Annual Report 2017 of the Company, which was published on 25 April 2018. The Annual Report 2017 is posted on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.hopefluent.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0425/ltn20180425505.pdf>

The 2019 Financial Statements, the 2018 Financial Statements and 2017 Financial Statements (but not any other parts of the Annual Report 2019, Annual Report 2018 or Annual Report 2017 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS

As at the close of business on 31 March 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had the following indebtedness:

- (i) HK\$95 million bank borrowings were secured by the Group's certain leasehold land and buildings and investment properties;
- (ii) HK\$212 million other borrowings were guaranteed and unsecured and HK\$83 million other borrowings were unguaranteed and unsecured; and
- (iii) lease liabilities of HK\$199 million relating to premises leased by the Group as lessee.

The carrying values of the Group's assets pledged to secure its bank borrowings amounted to approximately HK\$43 million as at 31 March 2020.

Capital commitment

As at the close of business on 31 March 2020, the Group had no material capital commitment.

Contingent liabilities

As at the close of business on 31 March 2020, the Group had no material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal payables and accruals in the ordinary course of business, the Group did not have any loan capital issued or agreed to be issued but unissued, bank overdrafts or loans, or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities outstanding as at the close of business on 31 March 2020.

The Directors have confirmed that there had not been any material change in the indebtedness or contingent liabilities of the Group since 31 March 2020 and up to the Latest Practicable Date.

4. MATERIAL CHANGE

The Directors confirm that, save and except for the below as extracted from the section headed “Prospects for 2020” in the annual report of the Group for the year ended 31 December 2019, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

The outbreak of the Novel Coronavirus epidemic in early 2020 has put more downward pressure on the economy and brought about severe challenges to all industries and inevitably affected the Group’s businesses.

The Group expects that its businesses in the first half of 2020 will be more affected by the epidemic, but we strongly believe that the Chinese economy will continue to maintain a long-term upward development trend.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Vendors, CGSH, the Joint Offerors and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Vendors, the sole director of the Purchaser, the directors of CGPS HK and the directors of CGSH) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

<i>Authorised</i>	<i>HK\$</i>
<u>8,000,000,000</u> Shares	<u>80,000,000</u>
<i>Issued and fully paid:</i>	
<u>674,149,989</u> Shares	<u>6,741,499.89</u>

All of the existing issued Shares currently in issue rank pari passu in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting. The Shares are listed and traded on the Stock Exchange. No Shares are listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Company has not issued any Shares since 31 December 2019, the date to which the latest audited financial statements of the Company were made up.

3. DISCLOSURE OF INTERESTS

(a) Interest in the Joint Offerors

As at the Latest Practicable Date, the Purchaser, being one of the Joint Offerors, is wholly-owned by Mr. Fu, the chairman and executive director of the Company.

Save as disclosed above, none of the Company nor any of its Directors had any interest in the equity share capital or any convertible securities, warrants, option or derivatives of the Joint Offerors, and no such person (including the Company) had dealt in the equity share capital or any convertible securities, warrants, option or derivatives of the Joint Offerors during the Relevant Period.

(b) Directors and the chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interest or short positions of the Directors or the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code were as follows:

	Capacity	Number of Shares held/ interested (Note 1)	Approximate %
Mr. Fu (Note 2)	Beneficial owner	28,024,334 (L)	4.16
	Interest of controlled corporation	304,947,139 (L)	45.23
	Interest of spouse	7,398,334(L)	1.10
	Sub-total	340,369,807(L)	50.49
Ms. Ng Wan	Beneficial owner	7,398,334(L)	1.10
Mr. Mo Tianquan (Note 3)	Interest of controlled corporation	111,885,625 (L)	16.60

Notes:

- (1) (L) represents long interest in the Shares.
- (2) As at the Latest Practicable Date, among the 340,369,807 Shares which Mr. Fu is interested in (i) 28,024,334 Shares are held by Mr. Fu directly; (ii) 112,418,263 Shares are held by the Purchaser; (iii) 18,344,077 Shares are held by Happy Chord; (iv) 174,184,799 Shares are held by Fu's Family Limited; and (v) 7,398,334 Shares are held by Ms. Ng Wan. The Purchaser is wholly-owned by Mr. Fu and Happy Chord is wholly-owned by the Purchaser. Fu's Family Limited is owned as to 70% by Mr. Fu, 15% by Ms. Ng Wan and 15% by Ms. Fu Man. Ms. Ng Wan is an executive Director and the spouse of Mr. Fu. Ms. Fu Man is an executive Director and the sister of Mr. Fu.

- (3) These Shares are held by Fang Holdings Limited (formerly known as SouFun Holdings Limited) an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the New York Stock Exchange. Next Decade Investments Limited and Media Partner Technology Limited are its controlling shareholders. The shares of Next Decade Investments Limited and Media Partner Technology Limited are held in discretionary trust. The trustees are Caldstone Enterprises Limited, Seletar Limited and Serangoon Limited. The founder of the trust is Mr. Mo Tianquan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

(c) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons (other than a Director and chief executive of the Company) or entities who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

	Capacity	Number of Shares held/ interested (Note 1)	Approximate %
Purchaser (Note 2)	Beneficial owner	112,418,263 (L)	16.67
	Interest of controlled corporation	18,344,077 (L)	2.72
	Sub-total	130,762,340 (L)	19.39
Fu's Family Limited	Beneficial owner	174,184,799 (L)	25.84
Fang Holdings Limited (Note 3)	Beneficial owner	111,885,625 (L)	16.60
Media Partner Technology Limited (Note 3)	Interest of controlled corporation	111,885,625 (L)	16.60

	Capacity	Number of Shares held/ interested (Note 1)	Approximate %
Next Decade Investments Limited (Note 3)	Interest of controlled corporation	111,885,625 (L)	16.60
Caldstone Enterprises Limited (Note 3)	Trustee	111,885,625 (L)	16.60
Seletar Limited (Note 3)	Trustee	111,885,625 (L)	16.60
Serangoon Limited (Note 3)	Trustee	111,885,625 (L)	16.60

Notes:

- (1) (L) represents long interest in the Shares.
- (2) As at the Latest Practicable Date, among the 130,762,340 Shares which the Purchaser is interested in (i) 112,418,263 Shares are held by the Purchaser directly; and (ii) 18,344,077 Shares are held by Happy Chord, which is wholly-owned by the Purchaser.
- (3) These Shares are held by Fang Holdings Limited (formerly known as SouFun Holdings Limited) an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the New York Stock Exchange. Next Decade Investments Limited and Media Partner Technology Limited are its controlling shareholders. The shares of Next Decade Investments Limited and Media Partner Technology Limited are held in discretionary trust. The trustees are Caldstone Enterprises Limited, Seletar Limited and Serangoon Limited. The founder of the trust is Mr. Mo Tianquan.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than a Director and chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) During the Relevant Period and up to the Latest Practicable Date,
 - (i) save for Mr. Fu's acquisition of the Sale Shares through the Purchaser, none of the Directors had dealt for value in, any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company; and
 - (ii) save for Mr. Fu who is the sole shareholder of the Purchaser, none of the Company and the Directors had owned or controlled, or had dealt for value in, any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Joint Offerors;
- (b) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) during the Offer Period and up to the Latest Practicable Date;
- (c) save for the Share Purchase Agreements, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (d) none of the Company nor any Directors had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) Mr. Mo Tianquan is interested in 111,885,625 Shares through Fang Holdings Limited and he has informed the Company that Fang Holdings Limited does not intend to accept the Offer. Ms. Ng Wan is interested in 7,398,334 Shares but given that she is part of the Purchaser Concert Group, the Offer has not been extended to her. Save as disclosed above, none of the other Directors beneficially own any Shares; and

- (f) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company.

5. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) save for the Share Purchase Agreements, there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) save for the Share Purchase Agreements, there was no material contract entered into by the Joint Offerors in which any Director had a material personal interest.

6. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which: (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

7. MATERIAL CONTRACT

Save as disclosed below, there were no contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group after the date two years before the commencement of the Offer Period and up to the Latest Practicable Date, which are or may be material:

- (i) the sale and purchase agreement dated 10 July 2019 entered into between Hopefluent (BVI) Limited, a subsidiary of the Company, and United Gain Group Ltd., a subsidiary of CGSH, details of which are disclosed in the announcement of the Company dated 10 July 2019.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been engaged by the Company and who has been named in this Composite Document or who have given its letter or advice which is contained in this Composite Document:

Name	Qualification
Octal Capital	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, being the Independent Financial Adviser to the Independent Board Committee in respect of the Offer

Octal Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter or advice and references to its name included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, Octal Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. GENERAL

- (a) The registered office of the Company is Cricket Square, Hutchines Drive, PO Box 2681, Grand Cayman, KY1-1111, Grand Caymans.
- (b) The principal place of business in Hong Kong of the Company is Room 3611, 36th Floor, Shun Tak Centre West Tower, 200 Connaught Road Central, Hong Kong.
- (c) As at the Latest Practicable Date, the executive directors of the Company are Mr. Fu, Ms. Ng Wan, and Ms. Fu Man and Mr. Lo Yat Fung; the non-executive director of the Company is Mr. Mo Tianquan; and the independent non-executive directors of the Company are Mr. Lam King Pui, Mr. Ng Keung and Mrs. Wong Law Kwai Wah, Karen.
- (d) The company secretary of the Company is Mr. Lo Hang Fong.
- (e) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) The registered office of Octal Capital, the Independent Financial Adviser, is at 801–805, 8/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.

- (g) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents set forth in paragraph “6. Documents available for inspection” of Appendix IV to this Composite Document, copies of the following documents are available for inspection (i) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Room 3611, 36th Floor, Shun Tak Centre West Tower, 200 Connaught Road Central, Hong Kong; (ii) on the website of the SFC at www.sfc.hk; and (iii) on the Company’s website at www.hopefluent.com during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the amended and restated memorandum of association and articles of association of the Company;
- (b) the annual report of the Company for the year ended 31 December 2017;
- (c) the annual report of the Company for the year ended 31 December 2018;
- (d) the annual report of the Company for the year ended 31 December 2019;
- (e) the letter from the Board, the text of which is set out on pages 16 to 23 of this Composite Document;
- (f) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this Composite Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out on pages 26 to 47 of this Composite Document;
- (h) the material contract referred to in paragraph headed “7. Material contract” in this Appendix; and
- (i) the written consent referred to in the paragraph headed “9. Qualification and consent of expert” in this Appendix.

1. RESPONSIBILITY STATEMENT

The sole director of the Purchaser is Mr. Fu. Mr. Fu accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to CGSH and CGPS HK, their respective associates and parties acting in concert) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of CGPS HK and the directors of CGSH) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

The directors of CGPS HK are Ms. Yang Huiyan, Mr. Yang Zhicheng and Mr. Li Changjiang. The executive directors of CGSH are Mr. Li Changjiang, Mr. Xiao Hua and Mr. Guo Zhanjun; the non-executive directors of CGSH are Ms. Yang Huiyan, Mr. Yang Zhicheng and Ms. Wu Bijun; and the independent non-executive directors of CGSH are Mr. Mei Wenjue, Mr. Rui Meng and Mr. Chen Weiru. The respective directors of CGPS HK and CGSH jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Group, the Vendors and the Purchaser, their respective associates and parties acting in concert) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors, the Vendors and the sole director of the Purchaser) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DEALINGS AND INTERESTS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date, details of the interests in the Shares, underlying Shares, debentures or other securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Joint Offerors and parties acting in concert with them were as follows:

	Capacity	Number of Shares held/ interested	Approximate %
Joint Offerors			
Purchaser (<i>Notes 1 & 3</i>)	Beneficial owner	130,762,340	19.39
CGPS HK	Interest of controlled corporation	—	—

	Capacity	Number of Shares held/ interested	Approximate %
Parties acting in concert with the Joint Offerors			
<i>Purchaser Concert Group:</i>			
Fu's Family Limited (Note 2)	Beneficial owner	174,184,799	25.84
Mr. Fu (Note 1)	Beneficial owner	28,024,334	4.16
Ms. Ng Wan (Note 2)	Beneficial owner	7,398,334	1.10
<i>Parties acting in concert with CGPS HK</i>			
		—	—
Sub-total of the Joint Offerors and the parties acting in concert with them		340,369,807	50.49

Notes:

- (1) Mr. Fu is the sole director and sole legal and beneficial owner of the Purchaser.
- (2) Fu's Family Limited is owned as to 70% by Mr. Fu, 15% by Ms. Ng Wan and 15% by Ms. Fu Man. Ms. Ng Wan is an executive Director and the spouse of Mr. Fu. Ms. Fu Man is an executive Director and the sister of Mr. Fu.
- (3) The above interest of the Purchaser includes the indirect interest in 18,344,077 Shares through the ownership of the one share of Happy Chord.

The Joint Offerors confirm that, as at the Latest Practicable Date:

- (a) save as disclosed in the table above, none of the Joint Offerors nor any person acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for acquisition of the Sale Shares by the Purchaser, none of the Joint Offerors nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Joint Offerors or the Shares and which might be material to the Offer;

- (d) save for the Share Purchase Agreements, there is no agreement or arrangement to which any of the Joint Offerors, or any person acting in concert with any of them, is a party which relates to circumstances in which the Joint Offerors may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Joint Offerors nor any person acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Joint Offerors nor any person acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer;
- (g) no benefit (other than statutory compensation) was or will be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (h) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by any of the Joint Offerors, nor any person acting in concert with any of them;
- (i) other than the consideration for the sale and purchase of the Sale Shares under the Share Purchase Agreements, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Joint Offerors or any parties acting in concert with any of them to the Vendors or any party acting in concert with any of the Vendors in connection with the sale and purchase of the Sale Shares under the Share Purchase Agreements;
- (j) save for the Share Purchase Agreements, there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between each of the Vendors and any parties acting in concert with any of them on one hand, and the Joint Offerors or any parties acting in concert with any of them on the other hand;
- (k) save for the Share Purchase Agreements, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii)(a) the Joint Offerors and any parties acting in concert with any of them or (ii)(b) the Company, its subsidiaries or associated companies;
- (l) save under the ABCI Finance Documents, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons; and
- (m) save for the Concert Group Agreement and the ABCI Finance Documents, there was no agreement, arrangement, or understanding (including any compensation arrangement) exists between the Joint Offerors or any person acting in concert with any of them and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer.

3. MARKET PRICES

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
31 October 2019	1.78
29 November 2019	1.72
31 December 2019	1.64
31 January 2020	1.66
28 February 2020	1.46
31 March 2020	1.29
15 April 2020 (the Last Trading Day)	1.40
29 April 2020	1.60
22 May 2020 (the Latest Practicable Date)	1.50

During the Relevant Period, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange were HK\$1.83 per Share on 25 October 2019 and HK\$1.29 per Share on 31 March 2020.

4. EXPERT AND CONSENT

In addition to those listed in the paragraph headed “9. Qualification and consent of expert” in Appendix III to this Composite Document, the following is the name and qualification of the professional adviser whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
ABCI Capital	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO

ABCI Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter or advice and references to its name included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, ABCI Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

5. MISCELLANEOUS

- (a) The sole director and sole legal and beneficial owner of the Purchaser is Mr. Fu. The registered office of the Purchaser is at Palm Grove House, P.O. Box 438, Road Town, Tortola, BVI.
- (b) The directors of CGPS HK are Ms. Yang Huiyan, Mr. Yang Zhicheng and Mr. Li Changjiang and CGPS HK is an indirect wholly-owned subsidiary of CGSH. The registered office of CGPS HK is at 4th Floor, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.
- (c) The executive directors of CGSH are Mr. Li Changjiang, Mr. Xiao Hua and Mr. Guo Zhanjun; the non-executive directors of CGSH are Ms. Yang Huiyan, Mr. Yang Zhicheng and Ms. Wu Bijun; and the independent non-executive directors of CGSH are Mr. Mei Wenjue, Mr. Rui Meng and Mr. Chen Weiru. The registered office of CGSH is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at 4th Floor, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong. The ultimate controlling shareholder of CGSH is Ms. Yang Huiyan.
- (d) The registered office of ABCI Capital is 11/F, Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong.
- (e) The English text of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

6. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents set forth in paragraph “11. Documents available for inspection” of Appendix III to this Composite Document, copies of the following documents are available for inspection (i) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Room 3611, 36th Floor, Shun Tak Centre West Tower, 200 Connaught Road Central, Hong Kong; (ii) on the website of the SFC at www.sfc.hk; and (iii) on the Company’s website at www.hopefluent.com during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Purchaser;
- (b) the articles of association of CGPS HK;
- (c) the letter from ABCI Capital, the text of which is set out on pages 7 to 15 of this Composite Document; and
- (d) the written consent referred to under the paragraph headed “4. Expert and consent” in this appendix.