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碧桂园服务
COUNTRY GARDEN SERVICES

**COUNTRY GARDEN SERVICES
HOLDINGS COMPANY LIMITED**

碧桂园服务控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6098)



**HOPEFLUENT GROUP
HOLDINGS LIMITED**

合富辉煌集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 733)

JOINT ANNOUNCEMENT

**(1) ANNOUNCEMENT PURSUANT TO RULE 3.7
OF THE TAKEOVERS CODE
IN RELATION TO
THE POSSIBLE ACQUISITION OF HOPEFLUENT SHARES
BY CGS HK FROM CHINA-NET HOLDING LTD.**

AND

**(2) ISSUE OF NEW HOPEFLUENT SHARES BY HOPEFLUENT
UNDER SPECIFIC MANDATE
AND
CONNECTED TRANSACTION FOR HOPEFLUENT**

THE STRATEGIC COOPERATION AGREEMENT

On 6 November 2023 (after trading hours), CGS HK (a wholly-owned subsidiary of CGS), Mr. Fu Wai Chung (an executive director and controlling shareholder of Hopefluent), China-net Holding Ltd. (a company wholly-owned by Mr. Fu Wai Chung and a substantial shareholder of Hopefluent) and Hopefluent entered into the Strategic Cooperation Agreement in respect of the Possible Acquisition of the Sale Shares by CGS HK (as potential purchaser) from China-net Holding Ltd. (as potential vendor) and the Subscription for the Subscription Shares by CGS HK (as subscriber) from Hopefluent (as issuer).

THE POSSIBLE ACQUISITION

Pursuant to the Strategic Cooperation Agreement, China-net Holding Ltd. intends to sell the Sale Shares, being 71,640,000 Hopefluent Shares and representing approximately 10.63% of the issued share capital of Hopefluent as at the date of this joint announcement, to CGS HK which would result in an increase in shareholding in Hopefluent held by CGS HK from approximately 25.00% to approximately 35.63% (without taking into account the Subscription Shares). The total consideration for the Sale Shares will be HK\$115,340,400, representing a price of HK\$1.61 per Sale Share.

The Possible Acquisition is subject to the negotiation of and the entry into a formal sale and purchase agreement between the parties, and the Strategic Cooperation Agreement does not create legally binding obligations on CGS HK or China-net Holding Ltd. to proceed with the Possible Acquisition.

The Possible Acquisition, if materializes, may lead to general offers by CGS HK for all the issued Hopefluent Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hopefluent (other than those already owned or agreed to be acquired by CGS HK and parties acting in concert with it) pursuant to Rule 26.1 and Rule 13 of the Takeovers Code.

MONTHLY UPDATE

In compliance with the requirements under Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by Hopefluent and/or CGS until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer.

Further announcement(s) will be made by Hopefluent and/or CGS as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

THE SUBSCRIPTION

Pursuant to the Strategic Cooperation Agreement, as legally binding obligations of CGS HK and Hopefluent, CGS HK has conditionally agreed to subscribe for, and Hopefluent has conditionally agreed to allot and issue, the Subscription Shares, being 26,966,000 new Hopefluent Shares and representing approximately 4.00% of the issued share capital of Hopefluent as at the date of this joint announcement and approximately 3.85% of the enlarged issued share capital of Hopefluent assuming there is no other change in its issued share capital between the date of this joint announcement and completion of the Subscription, other than issue of the Subscription Shares. The total consideration for the Subscription Shares is HK\$43,415,260, representing a price of HK\$1.61 per Subscription Share.

The Subscription Shares will be allotted and issued by Hopefluent under the specific mandate to be sought from the Independent Hopefluent Shareholders at the Hopefluent EGM.

An application will be made by Hopefluent to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

LISTING RULES IMPLICATIONS

For CGS

As the highest of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription, when aggregated with the Previous Acquisition, is less than 5%, the Subscription is a de minimis transaction for CGS and is exempted from the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For Hopefluent

CGS HK is a substantial shareholder of Hopefluent and is therefore a connected person of Hopefluent under Chapter 14A of the Listing Rules. As such, the Subscription constitutes a connected transaction for Hopefluent and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Hopefluent IBC comprising all the independent non-executive directors of Hopefluent, namely Mr. Lam King Pui, Mr. Cao Qimeng and Ms. Xu Jing, has been formed to advise the Independent Hopefluent Shareholders on the Subscription and as to voting at the Hopefluent EGM. An independent financial adviser will be appointed by Hopefluent to advise the Hopefluent IBC and the Independent Hopefluent Shareholders in this regard.

The Hopefluent EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription contemplated under the Strategic Cooperation Agreement and the grant of the specific mandate to allot and issue the Subscription Shares. A circular containing, among other things, (i) details of the Subscription; (ii) a letter of recommendation from the Hopefluent IBC to the Independent Hopefluent Shareholders; (iii) a letter of advice from the independent financial adviser to the Hopefluent IBC and the Independent Hopefluent Shareholders in relation to the Subscription; and (iv) a notice of Hopefluent EGM, is expected to be despatched to the Shareholders on or before 6 December 2023 which is more than 15 business days from the date of this joint announcement as more time is required to prepare and finalize the contents of such circular.

WARNING: The Possible Acquisition, if materializes, may lead to the Possible Offers. As at the date of this joint announcement, no formal sale and purchase agreement has been entered into in respect of the Possible Acquisition, and such discussion is still in progress and the Possible Acquisition may or may not proceed. The issue of this joint announcement does not in any way imply that any general offer will be made. The Subscription is also subject to fulfillment or waiver of each condition and may or may not proceed. Shareholders and potential investors of Hopefluent are advised to exercise extreme caution when dealing in the securities of Hopefluent. Any persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE STRATEGIC COOPERATION AGREEMENT

On 6 November 2023 (after trading hours), CGS HK (a wholly-owned subsidiary of CGS), Mr. Fu Wai Chung (an executive director and controlling shareholder of Hopefluent), China-net Holding Ltd. (a company wholly-owned by Mr. Fu Wai Chung and a substantial shareholder of Hopefluent) and Hopefluent entered into the Strategic Cooperation Agreement in respect of the Possible Acquisition of the Sale Shares by CGS HK (as potential purchaser) from China-net Holding Ltd. (as potential vendor) and the Subscription for the Subscription Shares by CGS HK (as subscriber) from Hopefluent (as issuer).

THE POSSIBLE ACQUISITION

Pursuant to the Strategic Cooperation Agreement, China-net Holding Ltd. intends to sell the Sale Shares, being 71,640,000 Hopefluent Shares and representing approximately 10.63% of the issued share capital of Hopefluent as at the date of this joint announcement, to CGS HK which would result in an increase in shareholding in Hopefluent held by CGS HK from approximately 25.00% to approximately 35.63% (assuming the Subscription is not yet completed). The total consideration for the Sale Shares will be HK\$115,340,400, representing a price of HK\$1.61 per Sale Share. It is contemplated that the consideration for the Sale Shares will be settled by way of cheque (or other method as may be agreed in writing between CGS HK, Mr. Fu Wai Chung and China-net Holding Ltd.).

The Possible Acquisition is subject to the negotiation of and the entry into a formal sale and purchase agreement between the parties, and the Strategic Cooperation Agreement does not create legally binding obligations on CGS HK or China-net Holding Ltd. to proceed with the Possible Acquisition.

The Possible Acquisition, if materializes, may lead to general offers by CGS HK for all the issued Hopefluent Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hopefluent (other than those already owned or agreed to be acquired by CGS HK and parties acting in concert with it) pursuant to Rule 26.1 and Rule 13 of the Takeovers Code. If the Possible Acquisition materializes, the offer price per Hopefluent Share under the Possible Offers shall be no less than HK\$1.61 in accordance with the Takeovers Code. It is expected that Mr. Fu Wai Chung and China-net Holding Ltd will, and will procure other members of the Fu Family Group to, provide irrevocable undertakings in favour of CGS HK and parties acting in concert with it not to accept the Possible Offers.

RELEVANT SECURITIES OF HOPEFLUENT

As at the date of this joint announcement, Hopefluent has (i) 674,149,989 Hopefluent Shares in issue; (ii) share options carrying the right to subscribe for 67,380,000 Hopefluent Shares granted under the share option scheme of Hopefluent. Hopefluent has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

MONTHLY UPDATE

In compliance with the requirements under Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by Hopefluent and/or CGS until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer.

Further announcement(s) will be made by Hopefluent and/or CGS as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commenced on the date of this joint announcement. In accordance with Rule 3.8 of the Takeovers Code, associates of CGS HK and Hopefluent, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hopefluent or CGS HK, are hereby reminded to disclose their dealings in the relevant securities of Hopefluent pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: The Possible Acquisition, if materializes, may lead to general offers by CGS HK for all the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hopefluent (other than those already owned or agreed to be acquired by CGS HK and parties acting in concert with it). As at the date of this joint announcement, no formal sale and purchase agreement has been entered into in respect of the Possible Acquisition, and such discussion is still in progress and the Possible Acquisition may or may not proceed.

The issue of this joint announcement does not in any way imply that any general offer will be made. Shareholders and potential investors of Hopefluent are advised to exercise extreme caution when dealing in the securities of Hopefluent. Any persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

THE SUBSCRIPTION

The Subscription Shares

Pursuant to the Strategic Cooperation Agreement, as legally binding obligations of CGS HK and Hopefluent, CGS HK has conditionally agreed to subscribe for, and Hopefluent has conditionally agreed to allot and issue, the Subscription Shares, being 26,966,000 new Hopefluent Shares and representing approximately 4.00% of the issued share capital of Hopefluent as at the date of this joint announcement and approximately 3.85% of the enlarged issued share capital of Hopefluent assuming there is no other change in its issued share capital between the date of this joint announcement and completion of the Subscription, other than issue of the Subscription Shares. The completion of the Subscription (but without taking into account the Possible Acquisition) would result in an increase in shareholding in Hopefluent held by CGS HK from approximately 25.00% to approximately 27.88%.

Based on the par value of HK\$0.01 per Hopefluent Share, the aggregate nominal value of the Subscription Shares is HK\$269,660.

The Subscription Price

The total consideration for the Subscription Shares is HK\$43,415,260, representing a price of HK\$1.61 per Subscription Share.

The Subscription Price of HK\$1.61 per Subscription Share represents:

- (a) a premium of approximately 73.12% over the closing price of HK\$0.930 per Hopefluent Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 75.00% over the average closing price of HK\$0.920 per Hopefluent Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the Last Trading Day; and
- (c) a premium of approximately 74.43% over the average closing price of HK\$0.923 per Hopefluent Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to the Last Trading Day.

The Subscription Price was determined and negotiated on an arm's length basis between CGS HK and Hopefluent and with reference to factors including but not limited to the market conditions, the prevailing market price of the Hopefluent Shares, the acquisition price of the Previous Acquisition and the intended strategic cooperation between CGS HK and Hopefluent as further described under "CORPORATE GOVERNANCE AND OTHER ARRANGEMENTS – Business cooperation" and "REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT AND THE SUBSCRIPTION" of this joint announcement. The Hopefluent Directors (excluding the members of the Hopefluent IBC whose opinion will be set forth in the circular to be issued by Hopefluent in relation to the Subscription after having been advised by an independent financial adviser) consider that the Subscription Price is fair and reasonable and is in the interests of Hopefluent and the Hopefluent Shareholders as a whole.

The gross and net aggregate proceeds after deducting all relevant costs and expenses of the Subscription are approximately HK\$43.4 million and HK\$40.0 million, respectively. The net Subscription Price (after deduction of all relevant costs and expenses) is estimated to be approximately HK\$1.48 per Subscription Share.

Hopefluent intends to apply the net proceeds to be raised from the Subscription as general working capital for the business development of the Hopefluent Group.

CGS HK expects to fund the consideration for the Subscription Shares with the internal resources of the CGS Group.

Conditions to the Subscription

Completion of the Subscription is conditional upon satisfaction or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

- (i) the passing of an ordinary resolution at the Hopefluent EGM by the Independent Hopefluent Shareholders to approve the Subscription by way of poll;
- (ii) the listing committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange;
- (iii) the PRC anti-monopoly law enforcement agency having issued the relevant approval documents for the Subscription, if required; and
- (iv) CGS HK having confirmed to Hopefluent in writing that the necessary funds to settle the total consideration for the Subscription Shares are in place.

Neither CGS HK nor Hopefluent may waive any of the conditions (i) and (ii) above, while CGS HK may waive any of the conditions (iii) and (iv) above by written notice to Hopefluent. As at the date of this joint announcement, none of the above conditions has been satisfied and/or waived.

WARNING: As the Subscription is subject to fulfillment or waiver of conditions and may or may not proceed, shareholders and potential investors of Hopefluent should exercise caution when dealing in the securities of Hopefluent, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.

Rights and ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with all other Hopefluent Shares in issue as at the date of allotment and issue of such Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by Hopefluent with a record date falling on or after the date of allotment and issue of such Subscription Shares.

Specific mandate

The Subscription Shares will be allotted and issued pursuant to the specific mandate to be sought from the Independent Hopefluent Shareholders at the Hopefluent EGM.

Application for listing

An application will be made by Hopefluent to the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion of the Subscription will take place at 10:00 a.m. (Hong Kong time) on the third business day after all the conditions to the Subscription have been satisfied or such other date as CGS HK and Hopefluent may agree and the CGS HK will make payment of the Subscription amount either by bank transfer or wire transfer or such other methods as CGS HK and Hopefluent may agree.

Subject to entry into and the terms and conditions of a formal sale and purchase agreement in relation to the Possible Acquisition between the parties, it is currently contemplated that completion of the Possible Acquisition shall take place on the same day as completion of the Subscription.

Lock-up undertaking

In respect of the Sale Shares, during the period of two years from the date of completion of the Possible Acquisition, and in respect of the Subscription Shares, during the period of two years from the date of completion of the Subscription, CGS HK has undertaken to Hopefluent that CGS HK will not directly or indirectly transfer any of the Sale Shares and the Subscription Shares to any third party which is not a related party of CGS HK nor create or permit to subsist any encumbrance or third party rights over any such Sale Shares or Subscription Shares held by CGS HK during the respective applicable lock-up period. Further, CGS HK has undertaken that, if CGS HK transfers (with prior written consent obtained from Mr. Fu Wai Chung) the Sale Shares and/or the Subscription Shares to its subsidiary, CGS or any other subsidiary of CGS, the transferee shall comply with the obligations, undertakings or covenants of CGS HK under the Strategic Cooperation Agreement.

CORPORATE GOVERNANCE AND OTHER ARRANGEMENTS

Corporate governance

Subject to the completion of the Possible Acquisition and compliance with the Takeovers Code, the Listing Rules and the internal regulations of Hopefluent (including but not limited to the articles of association, directors' nomination policy and terms of reference of the nomination committee of Hopefluent), each of CGS HK, Mr. Fu Wai Chung and China-net Holding Ltd. agrees that the board of directors of Hopefluent shall, with effect from 30 June 2024, comprise of eight directors, including (i) two directors, acting as executive director(s) or non-executive director(s), to be nominated by Mr. Fu Wai Chung; (ii) three directors, acting as executive director(s) or non-executive director(s), to be nominated by CGS HK; and (iii) three independent non-executive directors, two of whom shall be nominated by CGS HK and one of whom shall be nominated by Mr. Fu Wai Chung. The aforementioned right of CGS HK and Mr. Fu Wai Chung respectively to nominate directors of Hopefluent is subject to, (i) in respect of CGS HK, it and its affiliates (including the CGS Group) together holding not less than 30% shareholding interest in Hopefluent; and (ii) in respect of Mr. Fu Wai Chung, his and his affiliates (including the Fu Family Group) together holding not less than 18% shareholding interest in Hopefluent. In determining whether the percentage shareholding threshold is met, any dilution caused by issuance of new Hopefluent Shares by Hopefluent to any third party other than CGS HK, Mr. Fu Wai Chung and China-net Holding Ltd. or their respective

affiliates shall be ignored, but any dilution caused by issuance of new Hopefluent Shares by Hopefluent to either the CGS Group or the Fu Family Group shall be taken into account.

Hopefluent shall be independently operated and managed by the Hopefluent Board from time to time constituted.

Business cooperation

For a period of five years after completion of the Possible Acquisition (if materialized), CGS HK shall provide support to Hopefluent to develop an integrated transaction platform covering first-hand sales agency, inventory property sales, asset management and online marketing services, and Hopefluent shall be a core provider of such services within the business ecosystem of the CGS Group, with the objective of building up the core competitive advantages and market share of Hopefluent.

To the extent that the anticipated business cooperation between the CGS Group and the Hopefluent Group constitutes connected transaction(s) under Chapter 14A of the Listing Rules, each of CGS HK, Mr. Fu Wai Chung and China-net Holding Ltd. agrees to use their respective reasonable endeavours to cooperate with each other in order to comply with the applicable Listing Rules requirements.

Funding commitment to support the business development of Hopefluent

In the event that the Subscription is terminated but the sale and purchase of the Sale Shares have been completed, CGS agrees to provide funding of approximately HK\$43 million to support the business development of Hopefluent within three years after the date of the Strategic Cooperation Agreement, with the preferred manner of funding being one or more rounds of equity financing in the form of subscription for new Hopefluent Shares, which is subject to compliance with the applicable requirements under the Takeovers Code (including, among others, the 2% creeper under Rule 26 of the Takeovers Code, where applicable) and the Listing Rules (including, among others, the connected transaction requirements under Chapter 14A of the Listing Rules and the minimum public float requirement under Rule 8.08 of the Listing Rules, where applicable) and the obtaining of the necessary shareholders' approval by CGS and/or Hopefluent.

EQUITY FUND RAISING ACTIVITIES OF HOPEFLUENT IN THE PAST 12 MONTHS

Hopefluent has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this joint announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF HOPEFLUENT

Assuming there is no change in the issued share capital of Hopefluent from the date of this joint announcement up to completion of the Subscription, the table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement, (ii) upon completion of the Subscription and without taking into account the Possible Acquisition, and (iii) upon completion of the Subscription and assuming that the Possible Acquisition is consummated but without taking into account the Possible Offers:

Shareholders	As at the date of this joint announcement		Immediately upon completion of the Subscription and without taking into account the Possible Acquisition		Immediately upon completion of the Subscription and assuming that the Possible Acquisition is consummated but without taking into account the Possible Offers	
	<i>Number of Hopefluent Shares</i>	<i>Approximate %</i>	<i>Number of Hopefluent Shares</i>	<i>Approximate %</i>	<i>Number of Hopefluent Shares</i>	<i>Approximate %</i>
<i>The Fu Family Group</i>						
Fu's Family Limited ^(Note 1)	29,431,304	4.36	29,431,304	4.20	29,431,304	4.20
Mr. Fu Wai Chung	28,024,334	4.16	28,024,334	4.00	28,024,334	4.00
Ms. Ng Wan	7,398,334	1.10	7,398,334	1.05	7,398,334	1.05
China-net Holding Ltd. ^(Note 2)	112,418,263	16.68	112,418,263	16.03	40,778,263	5.82
Happy Chord Limited ^(Note 2)	18,344,077	2.72	18,344,077	2.62	18,344,077	2.62
Rainbow Cross Limited ^(Note 3)	78,319,938	11.62	78,319,938	11.17	78,319,938	11.17
Intelligent Youth Limited ^(Note 3)	12,000,000	1.78	12,000,000	1.71	12,000,000	1.71
Sub-total of the Fu Family Group	<u>285,936,250</u>	<u>42.42</u>	<u>285,936,250</u>	<u>40.78</u>	<u>214,296,250</u>	<u>30.57</u>
CGS HK	168,537,497	25.00	195,503,497	27.89	267,143,497	38.10
Parties acting in concert with CGS HK	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total of CGS HK and the parties acting in concert with it	<u>168,537,497</u>	<u>25.00</u>	<u>195,503,497</u>	<u>27.89</u>	<u>267,143,497</u>	<u>38.10</u>
Public shareholders	<u>219,676,242</u>	<u>32.58</u>	<u>219,676,242</u>	<u>31.33</u>	<u>219,676,242</u>	<u>31.33</u>
Total	<u>674,149,989</u>	<u>100</u>	<u>701,115,989</u>	<u>100</u>	<u>701,115,989</u>	<u>100</u>

Notes:

1. Fu's Family Limited is owned as to 70% by Mr. Fu Wai Chung, 15% by Ms. Ng Wan (the spouse of Mr. Fu Wai Chung) and 15% by Ms. Fu Man (the sister of Mr. Fu Wai Chung).
2. Each of China-net Holding Ltd. and Happy Chord Limited is wholly owned by Mr. Fu Wai Chung.
3. Each of Rainbow Cross Limited and Intelligent Youth Limited is wholly owned by Mr. Fu Ear Ly (the son of Mr. Fu Wai Chung and Ms. Ng Wan).
4. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT AND THE SUBSCRIPTION

For CGS

The CGS Group is a leading integrated service provider in the PRC covering diversified businesses, including property management services for residential and commercial projects, office buildings, industrial parks, public facilities, etc. With the vision of becoming an “integrated whole-cycle community life services operator”, the CGS Group has created a complete community life service ecosystem, and also developed to provide community value-added services, with real estate brokerage service catering the needs of property owners for asset management and further developing second-hand property rental and sale, as one of its core business segments. In addition, the CGS Group also provides value-added services to non-property owners including management consultancy services, sales and leasing agency services, etc. The CGS Group is also engaged in “Three Supplies and Property Management” businesses (currently including property management services and heat supply business) and the provision of city services and commercial operational services.

The Hopefluent Group is a long-established real estate agency services provider in the PRC, with a leading position and competitive advantages in the mid to high-end residential property sales and leasing business in Guangzhou, which is one of China's top five central metropolitan areas. Hopefluent provides comprehensive services for transactions in the real estate industry, including investment analysis, construction, planning and other professional support, and steadily promotes transaction services covering new residential property, existing residential property, commercial properties, industrial properties and land. According to its 2023 interim report, Hopefluent's real estate agency services business, with Guangzhou as its core, covers over 800 agency projects in 70 large and small cities across the PRC. With years of market experience and a well-established customer base, Hopefluent Group has effectively integrated its offline marketing strengths with a digital business model, positioning itself at the forefront of the industry in terms of operational competitiveness.

CGS HK has been the second largest shareholder of Hopefluent since the completion of the Previous Acquisition. The entry into of the Strategic Cooperation Agreement and the Subscription is part of the long-term strategic cooperation between the CGS Group and the Hopefluent Group. Through this strategic cooperation, the CGS Group and Hopefluent Group will nurture business synergies by merging their respective competitive advantages and sharing their online channels and offline resources in the realm of real estate agency services.

Through the Subscription, CGS HK is able to increase its equity interest in Hopefluent and provide equity capital to Hopefluent to continuously support the business development of the Hopefluent Group, realizing CGS's strategic vision and objectives.

In light of the foregoing, the CGS Board considers the terms of the Strategic Cooperation Agreement and the Subscription to be fair and reasonable, and the Strategic Cooperation Agreement and the Subscription are in the interest of CGS and the CGS Shareholders as a whole.

For Hopefluent

The CGS Group is a leading integrated service provider in the PRC and through CGS HK, it has been the second largest shareholder of Hopefluent after completion of the Previous Acquisition.

By further increasing its interest in Hopefluent through the Subscription and Possible Acquisition and potentially becoming the largest shareholder of Hopefluent after their completion, CGS Group demonstrates a high level of trust in Hopefluent Group's business and prospects and a commitment to Hopefluent's success. Moreover, the Strategic Cooperation Agreement will deepen the cooperation between CGS Group and Hopefluent Group, and allow the parties to leverage each other's complementary strengths, resources and expertise to generate mutual benefits and growth and creating long-term value for CGS Group and Hopefluent Group. In particular, the proposed support to be provided by CGS HK to Hopefluent to develop an integrated transaction platform is expected to increase Hopefluent's service offering and increase customer outreach, which will in turn result in more business leads and business opportunities for Hopefluent. The proceeds from the Subscription or the funding support commitment by CGS HK under the Strategic Cooperation Agreement will further enhance its financial strength and facilitate its business development which is in the interests of Hopefluent and the Hopefluent Shareholders as a whole.

The Hopefluent Directors (excluding the members of the Hopefluent IBC whose opinion will be set forth in the circular to be issued by Hopefluent in relation to the Subscription after having been advised by an independent financial adviser) consider the terms of the Subscription (including the Subscription Price) to be fair and reasonable and the Subscription is in the interest of Hopefluent and the Hopefluent Shareholders as a whole.

Mr. Fu Wai Chung and China-net Holding Ltd. (being wholly owned by Mr. Fu Wai Chung) are parties to the Strategic Cooperation Agreement. Mr. Fu Ear Ly is the son of Mr. Fu Wai Chung. Each of Mr. Zhu Rongbin and Mr. Gao Bin are Hopefluent Directors nominated by CGS HK pursuant to the 2022 Agreements. Accordingly, each of Mr. Fu Wai Chung (an executive Hopefluent Director), Mr. Fu Ear Ly (a non-executive Hopefluent Director), Mr. Zhu Rongbin (an executive Hopefluent Director) and Mr. Gao Bin (an executive Hopefluent Director) has abstained from voting on (and has not been counted in the quorum for) the relevant Hopefluent Board resolutions for approving the Strategic Cooperation Agreement and the Subscription. Save for Mr. Fu Wai Chung, Mr. Fu Ear Ly, Mr. Zhu Rongbin and Mr. Gao Bin, none of the Hopefluent Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Hopefluent Board resolutions for approving the Strategic Cooperation Agreement and the Subscription.

LISTING RULES IMPLICATIONS

For CGS

As the highest of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription, when aggregated with the Previous Acquisition, is less than 5%, the Subscription is a de minimis transaction for CGS and is exempted from the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For Hopefluent

CGS HK is a substantial shareholder of Hopefluent and is therefore a connected person of Hopefluent under Chapter 14A of the Listing Rules. As such, the Subscription constitutes a connected transaction for Hopefluent and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Hopefluent IBC comprising all the independent non-executive directors of Hopefluent, namely Mr. Lam King Pui, Mr. Cao Qimeng and Ms. Xu Jing, has been formed to advise the Independent Hopefluent Shareholders on the Subscription and as to voting at the Hopefluent EGM. An independent financial adviser will be appointed by Hopefluent to advise the Hopefluent IBC and the Independent Hopefluent Shareholders in this regard.

The Hopefluent EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription contemplated under the Strategic Cooperation Agreement and the grant of the specific mandate to allot and issue the Subscription Shares. A circular containing, among other things, (i) details of the Subscription; (ii) a letter of recommendation from the Hopefluent IBC to the Independent Hopefluent Shareholders; (iii) a letter of advice from the independent financial adviser to the Hopefluent IBC and the Independent Hopefluent Shareholders in relation to the Subscription; and (iv) a notice of Hopefluent EGM, is expected to be despatched to the Shareholders on or before 6 December 2023 which is more than 15 business days from the date of this joint announcement as more time is required to prepare and finalize the contents of such circular.

INFORMATION ON THE PARTIES

CGS is an investment holding company and a leading integrated service provider in the PRC. Its subsidiaries are principally engaged in property management services, community value-added services, value-added services to non-property owners and "Three Supplies and Property Management" businesses (currently including property management services and heat supply business), city services and commercial operational services. The ultimate controlling shareholder of CGS is Ms. Yang Huiyan, who is interested in approximately 36.44% of the total issued shares of CGS as at the date of this joint announcement. Save for Ms. Yang Huiyan, her spouse Mr. Chen Chong and entities controlled by them, and Guoqiang Public Welfare Foundation (Hong Kong) Limited (a charitable institution incorporated in Hong Kong) which received a donation of shares in CGS from an entity controlled by Ms. Yang Huiyan in July 2023 (for details, please refer to the announcement of CGS dated 30 July 2023), based on public information available, no other person has interest in 10% or more of the issued share capital of CGS.

CGS HK is an indirect wholly-owned subsidiary of CGS and its subsidiaries are principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and “Three Supplies and Property Management” businesses (currently including property management services and heat supply business), city services and commercial operational services.

Hopefluent is an investment holding company and its subsidiaries are principally engaged in the provision of primary and secondary real estate agency services and financial services in the PRC.

Mr. Fu Wai Chung is an executive director of Hopefluent and a controlling shareholder of Hopefluent.

China-net Holding Ltd. is a company incorporated in the British Virgin Islands and principally engaged in investment holding. China-net Holding Ltd. is wholly owned by Mr. Fu Wai Chung.

DEFINITIONS

In this joint announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“2022 Agreements”	the sale and purchase agreement and other ancillary agreements entered into amongst Fu’s Family Limited (as vendor), Mr. Fu Wai Chung (as guarantor) and CGS HK (as purchaser) dated 9 November 2022 in relation to the Previous Acquisition, further details of which are set out in the announcements dated 9 November 2022 published by CGS and Hopefluent respectively
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code or the Listing Rules, as the context requires
“CGS”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6098)
“CGS Board”	the board of CGS Directors
“CGS Director(s)”	the director(s) of CGS
“CGS Group”	CGS and its subsidiaries (including CGS HK)

“CGS HK”	Country Garden Property Services HK Holdings Company Limited (碧桂園物業香港控股有限公司), a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of CGS
“CGS HK Board”	the board of CGS HK Directors
“CGS HK Director(s)”	director(s) of the CGS HK
“CGS Shareholders”	the shareholders of CGS
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Fu Family Group”	Fu’s Family Limited, Mr. Fu Wai Chung, Ms. Ng Wan, Ms. Fu Man, Mr. Fu Ear Ly, China-net Holding Ltd., Happy Chord Limited, Rainbow Cross Limited and Intelligent Youth Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hopefluent”	Hopefluent Group Holdings Limited (合富輝煌集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 733)
“Hopefluent Board”	the board of Hopefluent Directors
“Hopefluent IBC”	the independent board committee of the Hopefluent Board, comprising the independent non-executive Directors of Hopefluent, namely Mr. Lam King Pui, Mr. Cao Qimeng and Ms. Xu Jing, formed for the purpose of advising the Independent Hopefluent Shareholders on the Subscription and as to voting at the Hopefluent EGM
“Hopefluent Director(s)”	the director(s) of Hopefluent
“Hopefluent EGM”	the extraordinary general meeting of Hopefluent to be convened and held to consider and, if thought fit, approve the Subscription contemplated under the Strategic Cooperation Agreement and the grant of the specific mandate to allot and issue the Subscription Shares

“Hopefluent Group”	Hopefluent and its subsidiaries
“Hopefluent Share(s)”	ordinary shares having a par value of HK\$0.01 each in the issued share capital of Hopefluent, which are listed on the Main Board of the Stock Exchange
“Hopefluent Shareholder(s)”	the holder(s) of Hopefluent Shares
“Independent Hopefluent Shareholders”	Hopefluent Shareholders, other than the Fu Family Group and CGS HK and their respective associates who are required to abstain from voting at the Hopefluent EGM
“Last Trading Day”	6 November 2023, being the last trading day immediately prior to the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2024, or such other date as CGS HK and Hopefluent may agree in writing
“Possible Acquisition”	the possible acquisition of 71,640,000 Hopefluent Shares by CGS HK as potential purchaser and China-net Holding Ltd. as potential vendor pursuant to the Strategic Cooperation Agreement dated 6 November 2023
“Possible Offers”	If the Possible Acquisition is materialized, the possible general offers to be made by CGS HK for all the issued Hopefluent Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hopefluent (other than those already owned or agreed to be acquired by CGS HK and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code and for the cancellation of all outstanding share options of Hopefluent pursuant to Rule 13 of the Takeovers Code
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisition”	the acquisition of 144,753,495 Hopefluent Shares by CGS HK as purchaser from Fu’s Family Limited as vendor at the consideration of HK\$1.61 per Hopefluent Share pursuant to 2022 Agreements
“Sale Shares”	71,640,000 Hopefluent Shares under the Possible Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation agreement dated 6 November 2023 and entered into amongst Mr. Fu Wai Chung, China-net Holding Ltd., CGS HK and Hopefluent
“Subscription”	the conditional subscription of the Subscription Shares by CGS HK pursuant to the Strategic Cooperation Agreement
“Subscription Price”	HK\$1.61 per Subscription Share
“Subscription Shares”	26,966,000 new Hopefluent Shares to be subscribed by CGS HK pursuant to the Strategic Cooperation Agreement
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board
**Country Garden Services Holdings
Company Limited**
XU Binhuai
President and Executive Director

By order of the board
Hopefluent Group Holdings Limited
ZHU Rongbin
Chairman

Hong Kong, 6 November 2023

As at the date of this joint announcement, the executive directors of CGS are Mr. XU Binhuai (President), Mr. XIAO Hua and Mr. GUO Zhanjun. The non-executive director of CGS is Ms. YANG Huiyan (Chairman). The independent non-executive directors of CGS are Mr. MEI Wenjue, Mr. RUI Meng and Mr. CHEN Weiru.

As at the date of this joint announcement, the CGS HK Directors are Ms. YANG Huiyan and Mr. XU Binhuai.

The CGS Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that in relation to Hopefluent Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this joint announcement (other than those expressed by Hopefluent Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

The CGS HK Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that in relation to Hopefluent Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this joint announcement (other than those expressed by Hopefluent Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the executive directors of Hopefluent are Mr. ZHU Rongbin, Mr. GAO Bin, Mr. FU Wai Chung and Mr. LO Yat Fung; the non-executive director of Hopefluent is Mr. FU Ear Ly; and the independent non-executive directors of Hopefluent are Mr. LAM King Pui, Mr. CAO Qimeng and Ms. XU Jing.

The Hopefluent Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that in relation to CGS Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this joint announcement (other than those expressed by the CGS Directors and/or the CGS HK Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.