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HOPEFLUENT GROUP HOLDINGS LIMITED

合富輝煌集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 733)

CANCELLATION OF SHARE OPTIONS AND PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

CANCELLATION OF SHARE OPTIONS

Reference is made to the announcement of the Company dated 16 June 2023 in relation to the grant of Share Options to subscribe for Shares in accordance with the 2023 Share Option Scheme. As approved by the Board (including the approval of the independent non-executive Directors), all of the following 33,670,000 outstanding share options (the “**Cancelled Share Options**”) granted to one Director and certain employees of the Company were cancelled with effect from 1 November 2024 (the “**Cancellation of Share Options**”) in accordance with the terms of the 2023 Share Option Scheme:

Date of Grant	Exercise price (HK\$)	Outstanding balance of Share Options immediately before the Cancellation of Share Options	No. of Cancelled Share Options	Outstanding balance of Share Options immediately after the Cancellation of Share Options
16 June 2023	1.85	<u>33,670,000</u>	<u>(33,670,000)</u>	<u>0</u>
		<u>33,670,000</u>	<u>(33,670,000)</u>	<u>0</u>

In view of the recent performance of the share price of the Shares and the exercise prices of all the Cancelled Share Options are much higher than the recent market prices of the Shares, the Board considered that the Cancelled Share Options no longer serves the purpose of providing incentives or rewards to the grantee for contribution to the Group.

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

Pursuant to the 2023 Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the 2023 Share Option Scheme shall not exceed 10% of the total number of issued Shares as of the adoption date on 23 May 2023 (i.e. a total of 67,414,998 Shares).

During the term of the 2023 Share Option Scheme and up to the date of this announcement, a total of 67,380,000 Share Options have been granted on 16 June 2023. Taking into account the above cancellation of 33,670,000 Share Options and 33,710,000 Share Option which lapsed under the 2023 Share Option Scheme, no Share Option has been exercised and no Share Options were outstanding under the 2023 Share Option Scheme.

As at the date of this announcement, the Company has no concrete plan or intention to grant any Share Options under the 2023 Share Option Scheme after the date of this announcement and up to the date of the EGM. However, the Board does not rule out the possibility that the Company will grant Share Options under the 2023 Share Option Scheme in the future when such need arises in order to incentivise the selected eligible participants. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board considers that the refreshment of the Scheme Mandate Limit is justified as it provides more flexibility for the Company to motivate the participants for their future contributions to the Group and/or to reward them for their past contributions, and to maintain on-going relationships with them.

As at the date of this announcement, there are 674,149,989 Shares in issue. Subject to the approval of the Shareholders at the EGM, and assuming that no Shares are issued or repurchased by the Company after the date of this announcement up to the date of the EGM, if the 2023 Share Option Scheme is refreshed in accordance with the resolution as set out in the notice of EGM which will be contained in the circular to be despatched and/or published in due course, the maximum number of Shares which may be issued upon exercise of all Share Options to be granted under the 2023 Share Option Scheme will be 67,414,998 Shares, being 10% of the Shares (excluding any treasury shares) in issue as at the date of the EGM.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution by the Independent Shareholders (as defined below) to approve the refreshment of the Scheme Mandate Limit at the EGM; and
- (ii) the Listing Committee granting the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares (excluding any treasury shares) as at the date of the EGM, which may fall to be allotted and issued pursuant to the exercise of the Share Options that may be granted under the Scheme Mandate Limit so refreshed.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the Share Options that may be granted under the refreshed Scheme Mandate Limit.

Listing Rules Implications

Pursuant to Rule 17.03C(1)(b) of the Listing Rules, any refreshment of the existing Scheme Mandate Limit within any three-year period from the date of adoption of the scheme is subject to the independent shareholders' approval by way of an ordinary resolution at the general meeting, at which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the resolution to approve the proposed refreshment of the Scheme Mandate Limit.

Mr. Fu Wai Chung (“**Mr. Fu**”) is the controlling shareholder of the Company. Mr. Fu, together with Fu's Family Limited, Ms. Ng Wan, China-net Holding Ltd., Happy Chord Limited, Rainbow Cross Limited and Intelligent Youth Limited (collectively the “**Fu Family Group**”) held in aggregate 285,936,250 Shares, representing 42.42% of the issued share capital of the Company. Fu's Family Limited is owned as to 70% by Mr. Fu, 15% by Ms. Ng Wan (the spouse of Mr. Fu) and 15% by Ms. Fu Man (the sister of Mr. Fu). Each of China-net Holding Ltd. and Happy Chord Limited is wholly owned by Mr. Fu. Each of Rainbow Cross Limited and Intelligent Youth Limited is wholly owned by Mr. Fu Ear Ly (the son of Mr. Fu and Ms. Ng Wan). Accordingly, Mr. Fu, together with his associates are required to abstain from voting in favour of the resolution to approve the proposed refreshment of the Scheme Mandate Limit.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, save as disclosed and as at the date of this announcement, no Shareholder is required to abstain from voting on the proposed resolution on the proposed refreshment of the Scheme Mandate Limit at the EGM.

Pursuant to Rule 17.03C(2) of the Listing Rules, the total number of shares which may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as “refreshed” must not exceed 10% of the relevant class of shares in issue (excluding treasury shares) as at the date of approval of the refreshed scheme mandate.

Pursuant to Rule 17.03C(1)(b)(ii) of the Listing Rules, the Company shall also establish an independent board committee and appoint an independent financial adviser to advise the Shareholders. An independent board committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the reasonableness and fairness in respect of the proposed refreshment of the Scheme Mandate Limit. An independent financial adviser, INCU Corporate Finance Limited, a corporation licensed to carry out business in Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), has been appointed by the Company to advise the independent board committee and the Independent Shareholders on the above issue. The text of the letter from the independent board committee and the text of the letter from the independent financial adviser containing its advice will be set out in the circular of the Company to be despatched and/or published in due course.

The Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the independent board committee included in the circular) consider that the proposed refreshment of the Scheme Mandate Limit is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“2023 Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2023
“Board”	the board of Directors
“Company”	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)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, if thought fit, and approve the proposed refreshment of the Scheme Mandate Limit and transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	any Shareholders other than the controlling shareholders and their respective associates (or if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates)
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Scheme Mandate Limit”	the maximum number of Shares which may be issued in respect of all options and awards to be granted under all share schemes of the Company involving the issue of new shares to be approved at the EGM and representing 10% of the Shares (excluding treasury shares) in issue as at the date of the EGM
“Shareholder(s)”	holder(s) of Shares in the Company
“Share Options”	an option to subscribe for Shares pursuant to the 2023 Share Option Scheme
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 1 November 2024

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