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合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 754)

DISCLOSEABLE TRANSACTION

The Group has successfully obtained the right to acquire the Site in Huizhou City through tender on 29 October, 2004.

On 26 November, 2004, the Group entered into the Land Contract for the acquisition of the Site. The Site is a prime city location by Dongjiang River in Huizhou City, PRC.

The Directors consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Land Contract are normal commercial terms which are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Company.

The Transaction constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing details of the Transaction in accordance with the requirements of Rule 14.64 will be dispatched to the Shareholders as soon as practicable.

THE LAND CONTRACT

Date:

26 November, 2004

Parties:

- (1) Huizhou Land Bureau as the transferor;
- (2) Hopson Holdings as the transferee.

Site:

The Site is located at 惠州市江北新區13號小區東江江畔 Number 13 Xiaoqu, Jiangbeixinqu, Huizhou City, PRC which is by 東江江畔 Dongjiang River and bordered by 東江大橋引橋 Dongjiang Da Bridge Entrance Bridge to the east, a 42 metre wide 東江大道 Dongjiang Da Road which is proposed to be built to the south, a 42 metre wide 體育路 Tiyu Road which is proposed to be built to the west and 文昌路 Wenchang Road to the north.

The aggregate site area of the Site is approximately 205,668 square metres, with gross floor area amounting to approximately 368,856 square metres.

Purpose:

The Site is primarily for residential purpose.

Term:

The term of the land use rights of the Site is 70 years commencing from 29 October, 2004.

Consideration:

RMB534 million (equivalent to approximately HK\$503.77 million) which shall be payable as follows:

1. a sum of RMB130 million (equivalent to approximately HK\$122.64 million) which was deposited by the Group on 29 October, 2004 as earnest money upon tendering the bid for the Site shall be applied as first instalment payment of the Consideration;
2. the balance of RMB404 million (equivalent to approximately HK\$381.13 million) shall be paid by 4 equal instalments payable semi-annually and such first and last instalments shall be paid on or before 30 April, 2005 and 31 October, 2006 respectively.

The Consideration is to be funded as to RMB313 million (equivalent to approximately HK\$295.28 million) by internal resources of the Group and RMB221 million (equivalent to approximately HK\$208.49 million) by bank borrowing.

The Consideration represents the final bid for the acquisition of the Site at the public land auction. The Directors (including the independent non-executive Directors) consider that the Consideration represents the fair market value of the Site with reference to the market value of the other residential property developments of the Group in Guangzhou, PRC such as Gallopade Park and Zhujiang International Building.

The Directors consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Land Contract are normal commercial terms which are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Company.

Other terms:

The Site shall be non-transferable in whole or in part. The Site must be developed by the Group. The construction on the Site must commence within one year from the date of signing of the auction confirmation and must be completed within five years thereafter.

There is no termination clause in the Land Contract. However, Huizhou Land Bureau shall be entitled to terminate the Land Contract if the Group shall default in the instalment payments. The Group shall not be entitled to terminate the Land Contract.

REASONS FOR THE TRANSACTION

The Group is principally engaged in property development and property investment in various cities in the PRC including Guangzhou, Beijing, Shanghai and Tianjin.

Huizhou is located in the eastern part of the Pearl River Delta, where the Xizhi River joins the Dongjiang River. Huizhou is an enter port as well as an industrial center in the Dongjiang Valley, with the focus on electronics and light industry. Local communications and transportation are convenient, with Guangzhou-Meizhou-Shantou Railway and two national highways connected with cities around: Guangzhou, Dongguan, Shaoguan, Heyuan, Shenzhen and Shanwei. Adjacent to Shenzhen and Hong Kong and facing Daya Bay and embracing Aotou Port, Huizhou has been endowed a favorable location to develop its industries and tourism.

Huizhou is one of the major cities in the southern part of China. As the economy of Huizhou continued to develop fast with its GDP recorded a year-on-year growth of 13.6% for the first half of 2004, the growth rate of the real estate market is also on the rise. As the Site is located in the prime city area of Huizhou City, the acquisition of the Site will enrich the Group's landmark and will bring forth immense development potential and opportunity for the Group there.

As at the date of this announcement, the Group has not formulated any firm development plan for the Site as the Group only successfully bid for the Site on 29 October, 2004. It is anticipated that the Group shall develop on the Site quality residential properties for sale purpose and it is the Group's preliminary plan to construct approximately 2,480 units of residential properties, each at the average size of approximately 160 square meters, on the Site. The Group anticipates that the total costs (exclusive of the land costs) for the development of the Site based on the said preliminary development plan would be approximately RMB1,071.29 million (equivalent to approximately HK\$1,010 million). It is anticipated that approximately 40 per cent. of the total costs would be financed by bank borrowing and the remaining by internal resources of the Group.

DISCLOSEABLE TRANSACTION

As the percentage ratio for the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing details of the Transaction in accordance with the requirements of Rule 14.64 will be dispatched to the Shareholders as soon as practicable.

GENERAL

As at the date hereof, the executive Directors are CHU Mang Yee, XIANG Bin, AU Wai Kin, CHEN Chang Ying and XIAO Yan Xia and the independent non-executive Directors are YUEN Pak Yiu, Philip, LEE Tsung Hei, David and WONG Shing Kay, Oliver.

TERMS USED IN THIS ANNOUNCEMENT

“Company”	Hopson Development Holdings Limited
“Directors”	the directors of the Company
“GDP”	Gross Domestic Product
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hopson Holdings”	Hopson Holdings Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“Huizhou Land Bureau”	廣東省惠州市國土資源局 Guangdong Province Huizhou Municipal State Land Resources Bureau and not a connected person of the Company as defined in the Listing Rules
“Land Contract”	the State-owned land use rights grant contract dated 26 November, 2004 entered into between Hopeson Holdings and Huizhou Land Bureau for the acquisition of the land use rights of the Site
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Site”	the Site at Number 13 Xiaoqu, Jiangbeixinqu, Huizhou City, PRC which is by the Dongjiang River and bordered by Dongjiang Da Bridge Entrance Bridge to the east, a 42 metre wide Dongjiang Da Road which is proposed to be built to the south, a 42 metre wide Tiyu Road which is proposed to be built to the west and Wenchang Road to the north
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction under the Land Contract
“%”	per cent.

For illustrative purpose of this announcement, RMB1.06 = HK\$1.00

By Order of the Board
Chu Mang Yee
Chairman

Hong Kong, 1 December, 2004

* *For identification purpose*

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Journal.*