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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**

On 8 March, 2005, the Group entered into the Land Transfer Agreements for the acquisition of the Sites in Beijing 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 Transfer Agreements 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 TRANSFER AGREEMENTS**

#### **A. Land Transfer Agreement 1**

*Date:*

8 March, 2005.

*Parties:*

- (1) Jin Yu Real Estate as the transferor;
- (2) Hopson Lu Zhou as the transferee.

*Site 1*

Site 1 is located at 中國北京市朝陽區廣渠門外大街31號雙花園小區1#地塊 Site Area 1#, Shuang Hua Yuan Xiao Qu, Number 31 Guang Qu Men Wai Da Street, Chao Yang Qu, Beijing City, PRC.

The aggregate site area of Site 1 is approximately 19,740 square metres.

Jin Yu Real Estate has obtained the land use rights of Site 1 from the Beijing City Land Bureau.

*Purpose:*

Site 1 is for residential with related facilities and car-parking space purposes.

*Term:*

The term of the land use rights of Site 1 is 70 years for residential, 40 years for the related facilities and 50 years for the car-parking space commencing from 15 March, 2004.

*Consideration:*

RMB243,695,800 (equivalent to approximately HK\$229.90 million) which are payable as follows:

1. a sum of RMB89,695,130 (equivalent to approximately HK\$84.62 million) has been paid prior to the signing of the Land Transfer Agreement 1;
2. a sum of RMB74,713,810 (equivalent to approximately HK\$70.48 million) shall be paid within 3 working days after approval of the change of title to the land use rights of Site 1 by the relevant government authority;
3. a sum of RMB43,999,510 (equivalent to approximately HK\$41.51 million) shall be paid within 6 months after completion of the change of title to the land use rights of Site 1 and delivery of Site 1 to Hopson Lu Zhou as agreed under the Land Transfer Agreement 1;
4. the balance of RMB35,287,350 (equivalent to approximately HK\$33.29 million) shall be paid within 15 months after completion of the change of title to the land use rights of Site 1.

*Termination Right*

In the event that Jin Yu Real Estate shall fail to complete the change of title to the land use rights of Site 1 with the relevant government authority before 13 April, 2005 which may be extended by 30 working days, Hopson Lu Zhou shall have the right to terminate the Land Transfer Agreement 1. Upon termination of the Land Transfer Agreement 1, all sums paid to Jin Yu Real Estate by Hopson Lu Zhou shall be returned within 3 days thereof together with a sum equivalent to 10% of the Consideration 1.

**B. Land Transfer Agreement 2**

*Date:*

8 March, 2005.

*Parties:*

- (1) Jin Yu Real Estate as the transferor;
- (2) Hopson Lu Zhou as the transferee.

*Site 2*

Site 2 is located at 中國北京市朝陽區廣渠門外大街31號雙花園小區8#地塊 Site Area 8#, Shuang Hua Yuan Xiao Qu, Number 31 Guang Qu Men Wai Da Street, Chao Yang Qu, Beijing City, PRC.

The aggregate site area of Site 2 is approximately 23,321 square metres.

Jin Yu Real Estate has obtained the land use rights of Site 2 from the Beijing City Land Bureau.

*Purpose:*

Site 2 is for residential with related facilities and car-parking space purposes.

*Term:*

The term of the land use rights of Site 2 is 70 years for residential, 40 years for the related facilities and 50 years for the car-parking space commencing from May 13, 2004.

*Consideration:*

RMB267,351,050 (equivalent to approximately HK\$252.22 million) which are payable as follows:

1. a sum of RMB98,401,720 (equivalent to approximately HK\$92.83 million) has been paid prior to the signing of the Land Transfer Agreement 2;
2. a sum of RMB81,966,190 (equivalent to approximately HK\$77.33 million) shall be paid within 3 working days after approval of the change of title to the land use rights of Site 2 by the relevant government authority;
3. a sum of RMB48,270,490 (equivalent to approximately HK\$45.54 million) shall be paid within 6 months after completion of the change of title to the land use rights of Site 2 and delivery of Site 2 to Hopson Lu Zhou as agreed under the Land Transfer Agreement 2;
4. the balance of RMB38,712,650 (equivalent to approximately HK\$36.52 million) shall be paid within 15 months after completion of the change of title to the land use rights of Site 2.

*Termination Right*

In the event that Jin Yu Real Estate shall fail to complete the change of title to the land use rights of Site 2 with the relevant government authority before 13 April, 2005 which may be extended by 30 working days, Hopson Lu Zhou shall have the right to terminate the Land Transfer Agreement 2. Upon termination of the Land Transfer Agreement 2, all sums paid by Hopson Lu Zhou shall be returned to Jin Yu Real Estate within 3 days thereof together with a sum equivalent to 10% of the Consideration 2.

The Aggregate Consideration is to be funded by internal resources of the Group.

The Aggregate Consideration was determined on an arm's length basis between the parties and with reference to the current market value of the land use rights of the Sites. Valuations of the Sites were conducted by 北京鼎春德房地產評估有限公司 Beijing Ding Chun De Real Estate Appraisal Company Limited, an independent valuer. According to the valuations, the aggregate market value of the Sites as at 7 January, 2005 was RMB510,900,000 (equivalent to approximately HK\$481.98 million).

**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, PRC.

In anticipation of the Olympic Games in 2008 in Beijing, the real estate market and properties prices in Beijing are on the rise. The Directors believe that the acquisition of the Sites will not only enrich the Group's landbank in Beijing, it will also generate a good return on the Group's investment.

Site 1 and Site 2 are adjacent lands. The Sites are located in the prime area near the central business district of Beijing City, PRC. The aggregate gross floor area of the Sites amounts to approximately 206,750 square metres of which approximately 204,750 square metres will be saleable. It is the Group's preliminary plan to construct approximately 1,560 residential units with an aggregate area of approximately 169,750 square meters, shopping arcade with an aggregate area of approximately 9,000 square metres and 700 car-parking spaces with an aggregate area of approximately 26,000 square metres on the Sites primarily for sale purpose. Unsold shopping arcade and car-parking spaces would be held as non-current assets of the Group primarily for leasing purpose. It is anticipated that the total capital expenditure (exclusive of the land costs) of the development of the Sites would amount to approximately RMB581 million (equivalent to approximately HK\$548.11 million). It is estimated that 40% of the total capital expenditure (exclusive of the land costs) would be financed by bank borrowings and the remaining balance by internal resources of the Group.

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

#### **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**

“Aggregate Consideration”	the aggregate of Consideration 1 and Consideration 2
“Company”	Hopson Development Holdings Limited
“Consideration 1”	the consideration for the acquisition of Site 1 of RMB243,695,800
“Consideration 2”	the consideration for the acquisition of Site 2 of RMB267,351,050
“Directors”	the directors of the Company
“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 Lu Zhou”	北京合生綠洲房地產開發有限公司 Beijing Hopson Lu Zhou Real Estate Development Limited, a company established in PRC and an indirect wholly-owned subsidiary of the Company
“Jin Yu Real Estate”	北京金隅嘉業房地產開發公司 Beijing Jin Yu Jia Ye Real Estate Development Company, a company established in the PRC whose principal business is property development and not a connected person of the Company as defined in the Listing Rules
“Land Transfer Agreement 1”	the land use rights transfer agreement dated 8 March, 2005 entered into between Hopson Lu Zhou and Jin Yu Real Estate for the acquisition of the land use rights of Site 1
“Land Transfer Agreement 2”	the land use rights transfer agreement dated 8 March, 2005 entered into between Hopson Lu Zhou and Jin Yu Real Estate for the acquisition of the land use rights of Site 2
“Land Transfer Agreements”	Land Transfer Agreement 1 and Land Transfer Agreement 2
“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
“Shareholders”	shareholders of the Company
“Site 1”	Site 1 which is located at 中國北京市朝陽區廣渠門外大街31號雙花園小區1#地塊 Site Area 1#, Shuang Hua Yuan Xiao Qu, Number 31 Guang Qu Men Wai Da Street, Chao Yang Qu, Beijing City, PRC
“Site 2”	Site 2 which is located at 中國北京市朝陽區廣渠門外大街31號雙花園小區8#地塊 Site Area 8#, Shuang Hua Yuan Xiao Qu, Number 31 Guang Qu Men Wai Da Street, Chao Yang Qu, Beijing City, PRC

“Sites”	Site 1 and Site 2
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction under the Land Transfer Agreements
“%”	per cent.

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

By Order of the Board  
**Chu Mang Yee**  
*Chairman*

Hong Kong, 8 March, 2005

\* *For identification purpose*

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